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LEADING LIFE INSURANCE WEEKLY

# The National Underwriter

LIFE INSURANCE EDITION

FRIDAY, JANUARY 3, 1930

## LIFE<sup>B18</sup> REINSURANCE

JAN 4 1930

### STANDARD AND SUBSTANDARD



North American Reassurance Company

*Lawrence M. Cathles, President*

250 PARK AVENUE

*New York*



# The National Underwriter

## LIFE INSURANCE EDITION

Thirty-Fourth Year No. 1

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, JANUARY 3, 1930

\$3.00 Per Year, 15 Cents a Copy

### New Disability Rates Put Out

Equitable of N. Y. and Massachusetts Mutual to Make Increases

### HOME AND AETNA WAIT

New York Life's New Scale Given—Prudential Will Not Act Until April

The Equitable Life of New York and the Massachusetts Mutual have followed the action of the New York Life, the Mutual Life of New York and the Metropolitan in increasing their disability rates.

The Prudential is not ready to make an announcement at present and probably will not make any until April. The Home Life and the Aetna Life will also probably wait until April or May to act. The Massachusetts Mutual Life is increasing its disability rates approximately 50 percent on male lives, although the new schedule is not yet ready for distribution. The new total and permanent disability provisions will be put in effect by the Massachusetts Mutual about April 1, while the Equitable will continue its present clause and rates until Feb. 1.

### Age 35 Illustration Given

The Equitable has not announced its new disability schedule in full but gives age 35 as an illustration. The full disability rate per \$1,000 policy on ordinary life at that age has been increased from \$2.88 on both male and female risks to \$4.80 for male and \$9.60 for female. For waiver of premiums only, rates have been increased from 43 cents to 94 cents for male and \$1.88 for female. The new rates on other principal policies at age 35 follows: 20 payment life-full disability, old \$3.12, new male \$5.05, new female \$10.10; waiver of premium only, old 33 cents, new male 73 cents, new female \$1.46. Endowment at age 20: Full disability, old \$2.50, new male \$4.42, new female \$8.84; waiver of premium only, old 46 cents, new male 95 cents, new female \$1.90. Convertible: Full disability, old \$4.06, new male \$6.43, new female \$12.86; waiver of premium only, old 59 cents, new male \$1.04, new female \$2.08. Ten year term: Waiver of premium only, old 11 cents, new male 22 cents, new female 44 cents. Retirement annuity per \$100 premium unit: Full disability, old \$7, new male \$11, new female \$18; waiver of premium only, old \$1.60, new male \$2.82, new female \$4.62.

### Waive Gross Premium

In commenting on the new rates the Equitable Life says that the new retirement annuity rates for women are just double those for men for the same coverage.

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### Justify Disability Increases

Tables of Loss Experience in New York in 1928 and 1927 Show Adequate Reason for Drastic Rate Advances Now Being Made

NEW YORK, Jan. 2.—With the promulgation of the new disability rate schedules, agents throughout the country are finding it necessary to ground themselves on justification for the drastic increases which they must now carry to their policyholders. Many agents have not realized, with all the controversy on this matter, that rates would go up, in many companies, 50 to 100 percent. And now they are casting about for something tangible which they may carry to their clients, to show the urgency of such changes and adequate rating. There have been only two tables published on this subject, these being the 1927 and 1928 summaries of disability experience of New York state published by THE NATIONAL UNDERWRITER several months ago.

As there has been a renewed demand for these tables and the supply of those issues is exhausted, the two are consolidated into one table and reprinted herewith, for use as complete justification of the new rates. Actuarial tables tell the story accurately, but they are company material. These tables, vague and uncertain as they may be, show clearly that there was need for action and that of a drastic nature. The tables require a degree of understanding of the application of varying disability clauses, rate changes and other variable items of annual change, but in the aggregate they explain why rates had to go up and drastically so, justifying whatever increases the companies have had to enforce. The experience for the two years, by classes of companies, follows:

### FIGURES OF NEW YORK COMPANIES

	1928			1927		
	Premia.	Losses	Net Gain or Loss	Premia.	Losses	Net Gain or Loss
Brooklyn Nat. ....	\$ 11,748	\$ 100	\$ 4,615	\$ 6,784	\$ 1,255	\$ 1,255
Equitable, N. Y. ....	5,266,072	2,295,703	-2,954,128	5,116,455	2,561,684	-2,633,633
Farmers & Traders....	21,308	3,381	-19,031	16,355	2,549	-15,787
Guardian .....	511,527	145,370	-76,924	413,944	111,813	-77,308
Home .....	259,931	85,681	-13,021	219,646	73,415	-71,687
Judea .....	2,992	47	935	1,723	335	335
Manhattan .....	86,394	13,214	-12,355	47,908	9,330	28,519
Metropolitan .....	4,230,962	1,371,337	94,645	3,500,376	2,432,220	-3,425,080
Morris Plan .....	44,182	11,609	-12,355	42,596	8,388	-10,714
Mutual .....	4,961,532	2,159,935	-3,317,195	4,285,134	1,566,648	-2,842,011
New York .....	9,901,340	4,593,810	-2,468,578	8,655,108	3,623,898	-2,466,615
No. Amer. Reassur....	30,956	7,593	-22,301	21,920	4,926	-12,523
Postal .....	70,625	3,678	-9,233	58,026	11,344	659
Security Mutual .....	8,174	566	11,055	6,892	1,017	2,040
Teachers In. & An....	5,963	553	-2,497	4,869	209	2,439
United States .....						
Totals .....	\$25,383,695	\$10,704,722	\$ 8,805,459	\$22,397,549	\$10,407,441	\$11,545,750

### COMPANIES OF OTHER STATES

	Premia.	Losses	Net Gain or Loss	Premia.	Losses	Net Gain or Loss
Aetna Life .....	\$ 1,505,791	\$ 752,469	\$ 2,139,869	\$ 2,154,511	\$ 1,497,282	\$ 1,502,657
Bankers, Ia. ....	1,017,683	356,435	-219,031	937,721	279,521	33,278
Berkshire .....	62,316	7,873	6,604	45,597	4,908	1,855
Colonial, N. J. ....	2,932	.....	859	1,847	.....	1,504
Columbian Nat. ....	111,436	20,438	-36,392	100,461	19,737	20,750
Connecticut General..	193,645	132,169	71,439	195,425	247,410	-458,745
Connecticut Mutual...	838,703	195,053	8,468	670,975	141,498	-14,235
Equitable, Ia. ....	456,456	115,724	113,587	372,480	81,254	-211,209
Fidelity Mutual .....	473,584	151,552	-66,489	422,456	129,199	-21,991
John Hancock .....	861,482	288,887	-477,940	625,149	232,616	-465,456
Massachusetts Mutual	1,519,028	376,167	-697,866	1,300,814	288,188	-39,197
Massachusetts Prot....	5,876	543	1,650	4,837	139	1,276
Monarch Life .....	.....	.....	.....	636	.....	147
National, Vt. ....	215,683	35,852	72,765	155,468	48,021	41,280
New England Mut. ....	479,005	121,103	-86,670	437,869	81,421	51,728
N. W. Mutual .....	257,719	45,805	-74,444	209,395	34,581	113,226
Penn Mutual .....	1,876,995	348,160	31,693	1,111,279	257,916	158,987
Phoenix Mutual .....	559,301	155,588	-139,750	458,893	119,916	-149,960
Provident .....	582,817	98,657	-162,031	476,396	53,206	55,324
Prudential .....	11,058,755	7,459,510	-292,706	7,748,345	5,326,105	-3,418,460
State Mutual .....	245,799	41,593	-289,051	192,231	26,336	.....
Travelers .....	4,368,581	1,630,207	-2,731,913	3,585,929	2,467,648	-2,840,597
Union Central .....	713,316	239,942	-404,201	579,064	156,773	-182,460
Union Labor .....	3,580	155	2,846	1,619	.....	.....
Union Mutual .....	2,264	.....	397	.....	.....	.....
Totals .....	\$26,912,157	\$12,664,242	\$ 7,607,743	\$16,743,217	\$11,436,950	\$ 8,936,142

### FOREIGN COMPANIES

	Premia.	Losses	Net Gain or Loss	Premia.	Losses	Net Gain or Loss
Canada Life .....	\$ 244,065	\$ 50,749	\$ 8,728	\$ 18,320	\$ 21,161	\$ 18,918
Confederation .....	160,491	48,400	-12,642	1,421	.....	-70,856
Imperial .....	117,410	12,877	11,053	1,285	.....	28,186
Totals .....	\$ 521,956	\$ 112,026	\$ 10,317	\$ 4,606	\$ 21,161	\$ 51,588

### AGGREGATE EXPERIENCE ON DISABILITY

	Premia.	Losses	Net Gain or Loss	Premia.	Losses	Net Gain or Loss
N. Y. Companies .....	\$25,383,695	\$10,704,722	\$ 8,805,459	\$22,397,549	\$10,407,441	\$11,545,750
Other States .....	26,912,157	12,664,242	-2,607,743	16,743,217	11,436,950	-9,926,142
Foreign Companies .....	521,956	112,026	-10,317	4,606	21,161	-51,588
Totals .....	\$52,817,808	\$23,380,990	\$16,423,519	\$39,225,372	\$21,865,552	\$20,533,480

### Issues Unusual Income Policy

Termed "Milestone" in Business by President Burnet of Continental American

### REMARKABLY LOW COST

New Form Combines High Return with Straight Protection in Covering Family Hazards

Complete family protection is offered by the Continental American of Wilmington, Del., in a policy which is declared by President Philip Burnet to be "one of the most remarkable achievements in life insurance." It is a form issued in \$5,000 units on ages 21 to 55 and under 10-year and 20-year plans, which doubles the income to the family at the death of the insured until the children are grown and then pays \$10,000 cash, which invested at a conservative 5 percent interest would yield a permanent income thereafter of \$500 a year, an amount which it is said will take care of the mother after the children are gone.

These figures are added to by term additions which may be bought by the annual dividend. At the average age the first dividend on the present scale would add more than 15 percent to the face of the policy, or more than \$1,500 on a \$10,000 contract. President Burnet explains the contract as follows:

### Large Reduction in Cost

"Briefly, this new plan of insurance not only meets the needs of the average family far more effectively than any of the plans now in use, but what is equally as important, it does so at what is equivalent to a tremendous reduction in the necessary cost. In effect, this new plan practically cuts in half the cost of providing an income for the family, so that thousands of people who never before were able to do so can now afford to guarantee the family a good living income, while the more affluent individuals will be able without any increase in outlay practically to double the income they could otherwise provide. This sounds impossible, but its mechanics are simplicity itself.

### Makes Striking Comparison

"At age 35, for instance, this new plan will take about \$2,500 a year in round figures and make it buy \$100,000 of ordinary straight life insurance, which instead of paying the face amount at death pays the family an income of \$1,000 a month, \$12,000 a year, 12 percent on that \$100,000, until all the children are old enough to be self-supporting, and then pays the \$100,000 to the beneficiary, at which time it may then be converted if desired into an income either for life or for a specified number

(CONTINUED ON PAGE 14)



## Social Insurance Schemes Are Now Before Congress

### INVESTIGATIONS ARE ASKED

Six Resolutions in House and Senate  
Are on Calendar for Consideration  
at Next Session

Six proposals are on the calendars of the senate and house of Congress in the form of resolutions to investigate the possibility of old age pensions and social insurance in general. Similar proposals have appeared in Congress in years past.

Two congressmen have come out strongly in favor of old age pensions. Representative Kelly of Pittsburgh declares that such a system would be of great value to American business and would remove "that shame to modern civilization—the poor house," and Representative Kopp of Iowa is of the opinion that some national policy should be determined upon by Congress, including the possibility of cooperation with the states.

#### Consideration Next Session

This matter is expected to come up before the house committee on labor when it organizes for the regular session in December, and at that time it will be proposed that the government start an investigation of the whole subject during the session to determine whether it is feasible.

The six proposals are:

Senate Resolution 70 by Senator Dill of Washington, to direct the senate judiciary committee to examine and report on state laws regarding old age pensions, on the constitutionality of a federal old age pension law and to recommend whether such a system if desirable should be separate from or connected with systems of the state.

House Resolution 48 by Representative Fish of New York, proposing a special committee to investigate the matter.

House Resolution 3244 by Representative Swing of California, authorizing and directing the director of the census to collect and publish statistics concerning the need for old age pensions in the making of the 1930 decennial census.

House Resolution 23 by Representative Sirovich of New York City, to create a congressional old age security commission which would report within one year on the extent of old age dependency in this country, on existing state systems for the aged, on the nature and workings of old age pension legislation in the states and abroad, and on the probable cost involved.

House Resolution 1199 by Mr. Sirovich to create an old age security bureau in the department of labor to cooperate with the state.

#### Proposes Large Appropriation

House Resolution 3722 by Representative McKeown of Oklahoma to authorize congressional appropriation for cooperation with the states in paying old age pensions and pensions to disabled persons, for the fiscal years ending June 30, 1929, and June 30, 1930, and thereafter for three years. An appropriation of \$4,000,000 would be authorized for use of states, to be allotted in proportion to population.

It is believed that serious jurisdictional questions are involved, not only as between federal and state governments, but as to the committee considerations of the subject. Committee jurisdiction in such proposals is said not to have been finally determined.

Congressman Kelly says. Congress should pass a resolution providing for a survey of the entire question of social insurance, covering unemployment insurance, sick and invalidism insurance

## Guardian Life Men Promoted



FRANK F. WEIDENBORNER



JOSEPH E. LOCKWOOD

Among the promotions in the staff of the Guardian Life aside from James A. McLain, superintendent of agencies, who becomes agency vice-president, are Frank F. Weidenborner, Jr., assistant superintendent of agencies, who is appointed superintendent, and Joseph E.

Lockwood, who becomes assistant to the agency vice-president, having been assistant superintendent. They are well-trained in the Guardian Life school and have won their spurs by hard work, intelligent effort and conscientious devotion to duty.

## Mortgage Return Still Ahead of Stocks, Bonds

Although farm first mortgages have been troublesome for life companies since the farm depression started in 1920, the average yield of mortgage investments of 104 leading life companies last year was .62 percent higher than the average yield in stock and bond holdings of the same companies, a study made by the National Association of Real Estate Boards in Chicago discloses. The mortgage investment return was 5.49 percent as compared with 4.87 percent for stock and bond holdings. However, this was a drop from the average of 5.63 percent on mortgage loans in 1927, and incidentally, stock and bond investment return went the other way, having been 4.74 percent in 1927. The mortgage investments of these companies in 1928 yielded an average return of 5.55 percent and stock and bond holdings 4.79 percent.

#### Little Fluctuation in Return

It is interesting to note the large return of mortgages with little fluctuation in the last few years, as against the much lower return on stocks and bonds. However, this disparity has been gradually reducing so that in 1928 the difference was only .62 percent as compared with 1.44 percent in 1915. Mortgage return of these companies in 1915 was 6.13 percent and the same figure the following year, coming down to 5.90 percent in 1919 and then rising during the next three years to 6.47 percent in 1922. From this point the investment return has steadily dropped, save for 1927 when there was a slight rise.

Stock and bond investments return started the 13-year period with 4.69 percent, increasing to 4.72 percent the next year and then fluctuating slightly in both directions until it rose to 5.01 percent in 1924 and 5.04 percent in 1925. The real estate boards point out that prior to 1925 returns from mortgages only once fell below 6 percent, in 1919, and since 1925 the yield consistently has been less than 6 percent. An important consideration, however, is that the figures representing volume of investment in stocks and bonds do not show the amount paid but only the values for which the companies take credit—in most cases being the current market value.

## Knight Agency Hangs Up Fine Production Record

C. B. Knight, New York general agent of the Union Central Life, closed the books for the year with a very substantial gain, the December total being larger than the very large total of December, 1928. In December last year Mr. Knight's office paid for \$4,518,000, compared with the \$4,450,569 a year ago, compared with \$41,359,746 in 1928.

and old age pensions. He says other governments already have adopted comprehensive plans along this line and much valuable experience under foreign systems might be obtained.

## J. A. McLain Advanced By the Guardian Life

### AGENCY VICE-PRESIDENT

Fred A. Goecke, F. F. Weidenborner, Jr., Joseph E. Lockwood and Robert McDowell Promoted

At the annual election of officers of the Guardian Life the directors announced the promotion of two of the company's officials to vice-presidential offices and the appointment of three others to important posts.

James A. McLain, who has been superintendent of agencies for the past two years, was chosen agency vice-president. Entering the life insurance field as an agent at the close of his collegiate studies, Mr. McLain spent several years selling. When the first class in life insurance at the Carnegie Institute was organized, he enrolled as a member. Upon graduation in 1920, he joined the home office agency staff of the Guardian as agency assistant. Promotion to assistant superintendent of agencies followed in 1924, and a year later he was appointed inspector of agencies. On Jan. 1, 1928, Mr. McLain was elevated to superintendent of agencies and placed at the head of the agency organization.

#### F. A. Goecke Is Advanced

Fred A. Goecke, who is appointed second vice-president and secretary, has served as secretary since 1921. His career with the company covers 34 years, in the course of which he has served under four presidents who have headed the Guardian in its 70 years of existence. For the past 30 years he has been in charge of the claim department.

Frank F. Weidenborner, Jr., who succeeds Mr. McLain as superintendent of agencies, was appointed assistant superintendent of agencies two years ago. After leaving the University of Michigan, Mr. Weidenborner came to New York City where he engaged in business until the outbreak of the great war. Following his discharge from the service in 1919, he engaged in life insurance selling. In 1920, he graduated from the life insurance course at Carnegie Tech. His association with the Guardian commenced in 1924 with his appointment as agency assistant at the home office.

Joseph E. Lockwood was named assistant to the agency vice-president. Like Mr. Weidenborner, he has been assistant superintendent of agencies. Upon graduation from the Wharton School of Finance & Commerce at the University of Pennsylvania, he entered the life insurance field as an agent in New York City, where he remained for several years prior to and following the war. In 1920, he took the Carnegie Tech course in life insurance and two years later was appointed supervisor for his company's agency at Cleveland. He then served as general agent at Kansas City for several years, in the course of which he graduated from the Rockwell school. In April, 1926, he was appointed manager of the Boston agency where he remained until October, 1928, when he was appointed assistant superintendent of agencies and called to the home office.

Robert McDowell is manager of the mortgage department. He has been associated with the Guardian since 1898, when he joined the company as an office boy. Two years later he was assigned to the mortgage department, in which he has served since. Mr. McDowell has charge of the investigating and accounting in connection with mortgage loans.

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## Bankers National Merger Gets Florida Approval

Approval of the proposal of the Bankers National Life of New Jersey, just admitted to Florida, to reinsure the business of the Bankers Life of Jacksonville has been given by Commissioner Knott of Florida.

#### Need Additional Approval

Approval of the reinsurance must yet be secured from the New Jersey department and the consent of two-thirds of the policyholders secured before it can be put into effect. It would become effective, under the terms of the proposal approved in Florida as of Jan. 1.



## Stock Crash Is Only Small Aid

Chief Effect on Sales Expected in First Quarter of 1930  
—Returns Slow

### NORMAL INCREASE MADE

Chicago Company Executives Give Interesting Sidelights on Catastrophe as Affecting 1929 Production

So far as can be ascertained the large additional volume of business which it was expected would be sold as a direct result of the stock market crash in covering losses to estates was not realized in the latter half of November and in December, although all companies have stressed the point to their agents and deliberate campaigns to that end undoubtedly have been carried on by all companies and agencies.

Nevertheless, leaders believe a large amount of business will be sold in the first quarter of this year as a result of the striking lesson of tumbling stocks. Some agencies have reported doubled volume in the last two months of 1929, which they ascribe largely to concentrating on this line of attack. However, it is the experience of most agents that men and women who suffered losses in the market have not recovered from the shock to the point where they are willing to consider outlays for life insurance, even though the necessity is more acute now than it was before.

#### Expect 1930 to Be Record Year

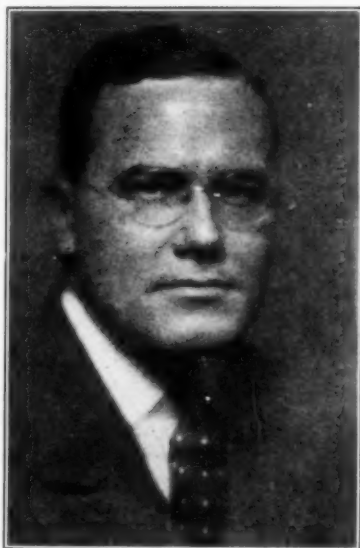
At least, in the experience of large companies in the middle west, the market crash has had little effect either way. Most of the companies show normal increases in written and paid business and in insurance in force. The opinion is unanimous that life insurance sales will show a large increase this year, some executives having the temerity to predict as much as 15 percent increase over 1929.

Perhaps the largest percentage increase in the central west last year was that of the Mutual Trust Life of Chicago, which has been intensively organizing a fine sales staff, improving service to agents and policyholders and going after business in a much bigger way than before. Whereas, the national increase last year has been set at approximately 8 percent over 1928, the Mutual Trust has reached about 32 percent, business in some months running over 50 percent increase. Up to Dec. 27, the paid-for increase for that month was 52 percent over the same period in December, 1928. The company paid for approximately \$37,000,000, increasing the insurance in force to about \$165,000,000. Vice-president C. A. Peterson comments that agents "will have to work harder and run faster" this year.

#### First Million Dollar Day

The Continental Assurance of Chicago recorded its first million-dollar day on Dec. 24 with receipt of applications for \$1,178,000. This was a Christmas surprise for Vice-president G. F. Claypool and was an amount of business more than twice as great as any ever received in a single day in the company's history. The Continental wrote approximately \$48,000,000 in 1929, and it is reported will show a gain of about \$16,000,000 insurance in force, running the total in force to approximately \$130,000,000. The officers report prospects are good. Life premiums of this com-

## Made Vice-President



JAMES A. McLAIN

James A. McLain, superintendent of agencies of the Guardian Life, has been made agency vice-president. He started as an agent and has gradually worked up to an official position of prominence. He is a hard worker and very enthusiastic for his company and the agency organization.

## Life Companies Benefit by Income Tax Refunds

Life insurance companies received large income tax refunds through action of the Treasury Department last week in returning more than \$190,000,000 to American companies and individuals because of erroneous collections. The refunds were caused by court decisions invalidating tax practices that have been followed by the treasury department for many years.

Among the carriers that benefited were: Prudential, \$3,788,129; John Hancock Mutual Life, \$1,117,349; Northwestern Mutual Life, \$2,461,795; New York Life, \$813,059; Bankers Life, Des Moines, \$112,113; Equitable Life of Des Moines, \$88,411; Illinois Life, Chicago, \$41,160; Mutual Trust Life, Chicago, \$42,459; National Life, U. S. A., Chicago, \$31,289.

In addition there were: Mutual Benefit Life, \$1,075,361; Equitable Life of New York, \$575,611; Guardian Life, New York, \$67,029; Home Life, New York, \$1,779; Manhattan Life, New York, \$10,796; Mutual Life of New York, \$13,058, and the United States Life, New York, \$7,041.

pany ran about \$3,600,000 for the year and collections were excellent.

New business of the North American Life, Chicago, increased approximately 20 percent last year, President E. S. Ashbrook reports. The company paid for approximately \$14,000,000 and the total business in force now stands at approximately \$80,000,000.

#### Shows 10 Percent Increase

Better than a \$6,000,000 gain was made by the Central Life of Chicago, according to President Alfred MacArthur. The company recorded a 10 percent gain in paid-for business with a total production of approximately \$15,000,000. This places the total insurance in force at the end of the year in the neighborhood of \$67,000,000.

Excellent gains were made by the Illinois Life, President R. W. Stevens re-

(CONTINUED ON PAGE 15)

## Says Beneficiaries Could Control Policy Loan Evil

The disturbing condition in policy loan departments through the great increase in loans resulting from the stock market situation is a serious matter to which every life insurance man should give thought, A. R. Harper, auditor of the Ohio State Life, urges in a lengthy discussion of the problem in the company's December bulletin, "The Os-li-co." "It does not require a very careful research into the records of any company to prove that the word 'destructive' is the only proper one to use in connection with policy loans," he states. "Over one-half of all the policies that go into extended insurance have a loan against them when the premium payments are discontinued. This signifies that the policyholder who has made a loan on a policy does not regard his insurance as much worth while as it was before the loan was made. We find the same result when we examine the account of policies surrendered. Here we find many policies surrendered to cancel loans for the entire value of the policy and in many other cases the insured cancels a policy to secure a small balance of cash value over and above the loan he has made.

#### Defeats Original Purpose

"Life insurance policies are fundamentally designed as estate builders to be used in the future. A policy loan transfers the proceeds of the policy from the future into the present and thus destroys the purpose for which the insurance was designed, and in almost every case the purpose for which the policy was originally purchased.

"A number of reasons have been given for this rapid increase in the practice of making loans upon insurance policies. We are told that it is because a much larger percentage of policyholders know about the policy loan provision than were aware of it a few years ago. We are also told that unemployment has a good deal to do with it. It is also said that the present lavish and foolish extension of credit, particularly for luxuries, is responsible. We also hear that the banking situation, particularly in the small towns, has something to do with the matter.

#### Seriously Affects Dependents

"Whatever may be the cause it is very certain that policy loans are destroying large amount of life insurance, and this will be felt in a very serious manner by the families and dependents of the borrowers. No life insurance representative can think about this matter without being disturbed. The destruction of old business is a matter that concerns him vitally.

"Life insurance companies do not long for legislation that would destroy the policy loan privilege; neither do we believe that the average life insurance representative would want the privilege removed. It is not even the desire of life insurance companies to resist the making of policy loans, nor do they ex-

pect life insurance representatives to obstruct the policyholder in his desire to make a loan.

#### Loan Has Legitimate Use

"From one point of view we are all glad that life insurance contracts offer this additional service to the owners. If policy loans could be confined to cases in which the loan is a necessity, and if borrowers would regard these loans as they do loans made at a bank and make proper plan and provision for paying them off, then the worst part of the policy loan evil would be removed.

"The home office and the agency field really have a moral responsibility resting upon their shoulders that they cannot avoid. It is our duty to guide the purchaser of the life insurance policy into the best and most profitable use of the insurance, and the widows and orphans of the community are much more dependent upon the honesty and the good counsel of life insurance companies and their representatives than we are sometimes willing to admit.

#### Beneficiaries Should Know

"A good many loans would not be made if the beneficiary knew about it. It is really better for everybody concerned if the beneficiary does know about the loan, and the agent does not make a mistake when he suggests that he would like to have the beneficiary act as witness on the policy loan note.

"After all, the wife at home has a right to know when the insurance upon which she depends is being destroyed by a loan for some luxury. The representative may also discover the purpose for which the loan is made if he will ask a few diplomatic questions.

"He will not always get the desired information and there may be cases in which his inquiry is resented, but surely the man that sold the insurance has some rights in the matter because it was his counsel that caused the man to buy the insurance in the first place. The tactful representative may prevent some unwise loans when the foolish borrower finds that he must discuss his purpose."

## Will Link Up Historical Events in Advertising

In its major trade journal advertising during 1930 the Illinois Life will devote about a fourth of the total space used to advertisements boosting the second Chicago World's Fair.

These advertisements, in addition to playing up this coming event, will tie in with the fact that 1933 will mark an important anniversary for the Illinois Life. As the "ads" will point out, 1933 will have a triple significance to the city and to the Illinois Life.

#### Started with First World's Fair

In 1833 Chicago was incorporated. In 1893 the first Chicago World's Fair was held and during this same year the Illinois Life began business. Therefore, 1933 will be the 100th birthday of the city, the 40th anniversary of the first Chicago World's Fair, and the 40th anniversary of the Illinois Life.

## Gets Two Banks to Give Each Employee \$1,000 Policy

L. S. Broadus, Chicago general agent of the Central Life of Illinois, wrote 51 applications for a total of \$51,000 of business in one day last week. Mr. Broadus approached two separate bank presidents with the idea of having the banks give as a Christmas bonus \$1,000 of life insurance to each employee, from the bank president down to the janitor. In each case the bank president responded to the suggestion and henceforth the payment of the premium will be the bank's Christmas gift to each employee.

#### Rounds Out 35 Years

Thirty-five years of service as a representative of the Prudential was rounded out Sunday by Henry M. Weisberg of Pittsburgh. He has had longer service than any other Prudential representative in Pittsburgh.

## To Hear Examiners' Report on Federal Reserve Jan. 6

COVERS 300 TYPED PAGES

### Contempt Case Against James A. Reed et al Is Continued on Account of Sickness

The hearing on the report of state examiners of the Federal Reserve Life of Kansas City, Kan., will be held Jan. 6 in the office of Charles F. Hobbs, Kansas insurance commissioner. Notices to company officials and the insurance departments of Indiana, Illinois and Missouri, which participated with Kansas in the examination, have been mailed.

In this hearing it will be developed just what steps are to be taken to recover the money alleged to have been wrongfully spent by former officials of the company, and what prosecutions, if any, are to be brought by the state as a result of the alleged misappropriation of funds.

The company's officials will be permitted to make whatever explanation or offers they may care to submit. The report of the examiners for the four states covers over 300 typewritten sheets and covers exhaustively the various financial transactions of the last several years.

#### Contempt Case Postponed

Contempt proceedings arising from the Federal Reserve case have been continued to Jan. 6. This case was to have come before Judge William H. McCamish in Wyandotte county district court Monday. The hearing a week ago was continued to Dec. 23, when James A. Reed, former Missouri U. S. senator, and six other lawyers were to have appeared in court to answer contempt citations.

The case has to be further continued on account of the illness of C. W. Trickett, who was appointed by Judge McCamish as an attorney for the receivership.

Two weeks ago a temporary injunction was granted which restrained receivers for the company from taking charge of its affairs.

#### Kuhns with Peoples Life

Ralph E. Kuhns, for several years a special agent of the Continental Fire of New York in Indiana, has been appointed assistant superintendent of agencies of the Peoples Life of Frankfort, Ind. Before engaging in fire insurance field work, Mr. Kuhns had been with the Peoples Life as a local agent in 1919 and as a general agent in 1922. He now is working under the direction of Arthur C. Louette, vice-president and manager of agencies of the Peoples Life.

## Big Amount of Patten Estate Goes to Taxes

Illustrating the desirability of life insurance to pay estate taxes is the report of the closing of the estate of the late James A. Patten, capitalist and wheat king of Chicago. The estate amounted to \$19,788,425, which is the largest in the history of the Illinois inheritance tax. The estate paid \$2,024,249 in fees to the state and federal government. Of this amount \$1,525,723 was paid to Illinois. The federal government received \$360,293 on the federal estate tax and \$129,804 for the income tax. Concession duty on Canadian stock was \$6,978. Wisconsin received \$1,472 from its inheritance tax.

## "Jack" Shuff Retires as Manager

John L. Shuff, manager of the home office agency of the Union Central Life at Cincinnati, has resigned and will give his attention hereafter to personal production.

Mr. Shuff's successor is Joseph P. Devine, at present manager at San Antonio, Tex. He joined the company in 1915 as a personal producer and in 1917 took the general agency, which was then writing about \$1,000,000 a year. The past year his agency produced \$6,700,000 and he is regarded as the company's outstanding general agent, considering territory and opportunities. Mr. Devine is now in Cincinnati and closed the arrangements Tuesday.

#### Shuff Long a Leader

Mr. Shuff has for years been one of the outstanding life insurance field leaders, both as a personal producer and as a manager. He resigned the post-mastership of Cincinnati in 1916 to become manager of the home office agency, succeeding E. W. Jewell, and at once started to build it up to large proportions. Since that time he has put over \$105,000,000 of new business on the books and his agency now has in excess of \$90,000,000 in force. His personal production, besides managing the agency, has averaged over \$1,000,000 a year and he has written more personal business than any agent in the company. He has several clients each with more than \$1,000,000. Mr. Shuff was president of the National Life Underwriters Association in 1924-5, the "international" year, during which he traveled over 50,000 miles meeting with many of the local associations.

Early in his career in Cincinnati he wrote the first policy for more than \$200,000 placed in the middle west and the year during which he was post-master, he made only six calls and wrote \$800,000.

#### Born in Two Counties

Mr. Shuff has the unique distinction of having been born in two counties, his mother's home having been on the border line between Scott and Bourbon counties, and he was educated as a boy in Harrison county, Kentucky, so that three counties can claim him for their own. He went to Cincinnati in January, 1897, as a special agent for the Union Central under the late President John M. Pattison and at once began to write large policies on leading citizens of the city. Up to the time that Mr. Shuff went to Cincinnati the Union Central was not so well known locally as it might have been but Mr. Shuff's work quickly brought it to local attention as one of the outstanding, growing companies of the country. When the great home office building was erected under the direction of the late President J. R. Clark, Mr. Shuff referred to it as "the house that Jack built," because it was only with the help of the agents that Mr. Clark could have planned and erected the building.

#### Prominent in Public Life

A book could be written about Mr. Shuff and his achievements both in the field of life insurance and as a prominent citizen. When he went to Washington to have his appointment as post-master confirmed by the senate he was referred to as the man "who could call more senators and representatives by their first names than any other man in America." His appointment as post-master, by the way, was entirely unsolicited and was made by President Wilson at the suggestion of Senator Pomerene. A life long Democrat, Mr. Shuff has been one of the wheel horses of the Democratic party and has figured at times prominently in its national affairs. He has attended practically all the national conventions and has been delegate at large to a number of them.

There are literally thousands of young men who have been helped to positions



JOHN L. SHUFF

by Mr. Shuff and not a few young men have been educated at his expense. He has filled numerous public positions, has been active in every good work in Cincinnati and liberal in his contributions. He was one of the moving spirits in the Cincinnati Fall Festival Association, and its secretary for some time. He is on numerous boards and committees. He is also a director of the Union Central. He was for years one of the closest friends of the late E. A. Woods of Pittsburgh and numbers all the association leaders among his personal friends. During a busy life of late years, he has had time to plan and build one of the artistic and beautiful homes in the hills of Kentucky.

#### Extended a Friendly Hand

As a life insurance man he has never traduced his competitors, and has extended a friendly hand to all the younger companies. He perhaps has more personal acquaintances among life insurance men the country over than any other man. Mr. Shuff has known every president quite intimately from Grover Cleveland to Warren Harding. He knows many of the heads of the state insurance departments and often attends their conventions. He has touched life at many places, always with the impress of friendship and good will. He will continue to have his office at the home office agency.

President Jesse R. Clark, Jr., in expressing his regret at Mr. Shuff's retirement as manager, says: "I have hesitated to answer your letter tendering your resignation as home office manager for I wanted to feel sure in my own mind that you are taking the wise course. You have made the home office agency one of the leading agencies of the company and after an achievement like this I am reluctant to let you give up the managership. I do not know of anyone that has the large number of friends that you have and I believe this is as good evidence as any that you are getting the best out of life. Your friends will rejoice to know that you are easing up a little, and that you will not withdraw entirely from the ranks for I do not know what this community would do without our incomparable Jack Shuff."

#### Paul M. Smith

M. C. Tyndall & Son, general agents of the New England Mutual Life at Columbus, O., have resigned. Paul M. Smith, formerly of Charleston, W. Va., is appointed their successor. He has been district agent of the Northwestern Mutual. He had had a wide and successful insurance experience. He will continue the office at 42 East Gay street.

## Noncancellable Lines Will Be Stimulated

EFFECT OF NEW LIFE RATES

### Companies Are Boosting the Charge for the Total and Permanent Dis- ability Clause

Inasmuch as the life companies are increasing their total and permanent disability rates and are for the most part adopting the standard provisions recommended by the National Convention of Insurance Commissioners, companies writing noncancellable disability insurance undoubtedly will find their business greatly stimulated. The rates which the life companies are adopting for their disability clauses are generally higher than the noncancellable companies are asking. For the most part, companies writing noncancellable disability insurance are pretty sure of their ground in more recent years both as to reserves and acquisition cost. They have been studying their own experience.

#### Life Companies Still Confused

The life companies are still confused as to the outcome of their disability program. So far, the methods of checking up on people taking the disability clause with life insurance are inadequate and unsatisfactory. There is no central clearing house for reporting medical impairments, rejections and so on, on those taking the disability clause as the life companies have for giving information on. Undoubtedly many people have loaded up heavily on disability insurance in taking out life policies. In the past the life companies have not charged nearly enough for their disability clause. As a matter of fact, the clause has been liberalized through competition.

Some companies have done very little underwriting from a disability standpoint, although they have been careful from a life insurance standpoint. There are some very marked differences, however, in passing on risks for life and disability.

If the companies writing noncancellable insurance care to take advantage of the situation undoubtedly their production will greatly increase this year.

## Advancements Made By the Jefferson Standard

At a meeting of the home office agency of the Jefferson Standard Life at Greensboro, A. R. Perkins, superintendent of agencies, announced John W. Ulmstead of the Chapel Hill, N. C., agency as the new president of the Julian Price Club, an honor awarded for outstanding work each year.

Mr. Perkins announced the appointment of W. H. Andrews, Jr., as manager of the home office agency. He has served as assistant manager. He also announced R. C. Price, son of the company's president, as superintendent of agencies for South Carolina, Georgia and Florida, and Charles W. Gold, Jr., son of the vice-president and treasurer of the Jefferson, as manager of the branch office in Washington, D. C.

W. H. Andrews, Jr., stated the home office agency has a production quota of \$7,000,000 for 1930. He presented the names of ten men who have sold not less than \$10,000 in new business in each month of 1929.

"Make the Most of 1930" was the theme of the meeting and talks were made by President Price, C. W. Gold, Sr., Vice-President W. T. O'Donohue and others.

Dr. B. Y. Jaudon, medical director for the Missouri State Life, is making a tour of the southern states and will visit branch offices in New Orleans, Augusta, Ga., Jacksonville, Miami and Tampa.



## Sees Move of Farmers to Shed Taxes on Companies

### BATTLE EXPECTED IN 1930

**Legislative "Watch Dog" of Carriers Declares Attempt to Reduce Premium Levy Is Hopeless**

A movement is rapidly growing under the surface of things in this country, largely because of the demand for some form of practical farm relief, to do away with all or part of the taxes on farm land, and as a consequence all kinds of insurance companies face the certainty that in a very short time they will be forced to fight bills calling for additional taxes on carriers.

This is the well considered opinion of a man whose business it is to look after the legislative interests of insurance companies. He says this sentiment among farmers is becoming increasingly prominent in farm journals and is taking the form of a movement which as yet has no concrete organization, but which certainly will spring into the open in 1930 or 1931 wherever legislatures meet. Only about 14 legislatures are scheduled to assemble this year as most of the assemblies occur in the odd years.

#### States' Finances Involved

Financial conditions of most of the states have reached so low an ebb, this observer says, that there is no possibility of eliminating the tax on farm land without substituting taxes on some other units of society. In fact, he says, the farmers are actually urging that the money now obtained from levying on farms and agricultural property in general be secured by the state through additional taxes on corporations. The farmers insist that they are operating at little or no profit, and therefore it is not right to tax them.

"Farmers appear to be oblivious to the fact," the observer says, "or to ignore it, that a merchant or other proprietor of a business in a city who is operating at a loss must pay his taxes just the same."

#### One Class Is Overlooked

"There is one class of men who do not pay the taxes they should and that is mortgage holders. Interest on mortgages is not calculated on a basis of actual return and operating cost on the mortgaged property, but instead is dependent purely upon the earning power of money. If I own a building and mortgage it up to the hilt, I have to pay taxes on that building just the same. The man who holds the mortgage goes practically scot free so far as that property is concerned."

This man says that the \$85,000,000 a year insurance premium tax levy of this country cannot possibly be eliminated or reduced to a point where the return will be only so much as state insurance departments require for their operation, because state governments will fight tooth and toenail for every available cent of tax as a result of the financial extremity in which they find themselves. Tax levies have been increasing steadily for many years and the amount realized from taxes has grown to a tremendous sum in every state. In spite of this fact state governments have shown larger and larger deficits.

#### Calls It a Losing Battle

Insurance companies have campaigned ceaselessly for a reduction of the premium tax to a reasonable basis. Years ago when the 2 percent levy was set, it was calculated on the basis of a very low total of premiums written in the various commonwealths. At that time the sums realized were approximately the amounts required to operate insurance departments. However, the sale of insurance has grown to such great proportions that the original purpose has been lost sight of, and states, faced

with the necessity of constantly reaching out for more money, have been unwilling to correct the inequity.

Far from securing any adjustment on the premium tax to meet changed conditions, the observer says, it appears certain that insurance companies will be forced to contest heavy added corporation taxes.

#### Phoenix Mutual at Cincinnati

McCandless & Spencer, manager of the Pacific Mutual agency at Cincinnati, composed of Donald S. McCandless and S. E. Spencer, have started intensive work in their field. Mr. McCandless was former secretary of the Central Federal Fire of Davenport. He went to the home office of the Phoenix Mutual for a special course for managers and then was assigned to Detroit where he had practical experience as supervisor. Mr. Spencer has been with the Phoenix Mutual continuously since 1915.

#### Commissioner Taggart Ill

Col. M. H. Taggart, Pennsylvania insurance commissioner, is in a hospital in New York City for a month's observation. He recently suffered an attack and his physicians recommended that he go to the hospital.

## Business Men's to Hold Managers' Convention

### WILL DISCUSS MANY TOPICS

**Practical Subjects Will Be Taken Up By the Supervising Men of the Company**

KANSAS CITY, MO., Jan. 2.—The annual convention of managers of the Business Men's Assurance will be held in Kansas City January 6-8. About 20 branch and prospective managers are expected to attend.

Emphasis will be placed in the program on overcoming the heavy lapse rate under both life and disability contracts. A new plan for crediting points on first renewals and deducting points on lapses on first renewal premiums will be adopted.

#### Some of the Topics

Other topics to be considered include the proper time for announcing contests to the sales force; one or two day local meetings—are they more beneficial than actual work with the men in the field?

How is the best method of securing daily reports from salesmen? working with new salesmen; how much time should a manager spend in the field? what should a manager's recreation be—social, business or otherwise? and should he join clubs, work in lodge and church? how is this to be arranged when most of his time is in the field?

#### Methods to Be Studied

The best method of recruiting salesmen in a rural territory will be taken up; the best methods of training salesmen working in urban and rural territory; the best means of rendering financial assistance to those men who through experience and time have proved their worthiness and yet who seem frequently in need of financial assistance; what standard should be used in selecting men; how to increase sale of accident and health insurance; how to keep the prospective salesman interested between the time of sales application and issuance of sales contract; etc.

The plan of recruiting and training new men which the educational department under Bert Hedges has been working out for some time past will be outlined during the second day.

John M. Holcombe, manager of the Life Insurance Sales Research Bureau will speak the third day.

## New records are in the making for Royal Union



**Royal Union Life Building**  
Cor. Seventh and Grand Ave.,  
Des Moines, Iowa

1929 was another good year for Royal Union salesmen. All indications point to new and greater records to be attained in 1930.

We write all standard forms of insurance.

Women are accepted on the same basis as men. Our children's policies are big winners. Age limits—0 to 60 inclusive.

Licensed in 13 middle-western states.

Local and general agents wanted under money-making contracts in Kansas, Missouri, Ohio, Mississippi and Texas.

## ROYAL UNION LIFE INSURANCE COMPANY

**DES MOINES, IOWA**

**A. C. TUCKER, President**



## Teachers' Retirement Fund in Michigan in Hot Water

### RESERVES BEING DISSIPATED

#### Lack of Educators' Support Forces Quick Action to Preserve Plan Through State Aid

Troubles of Michigan's teachers' retirement fund, which occupied attention of the 1929 legislature, are far from over, judging by disclosures this week that the fund is being rapidly dissipated and must soon be bolstered with state contributions or go out of business. In an effort to work out some means of staying off ultimate insolvency, a meeting of the retirement fund board has been called for Jan. 20 by Sen. Charles A. Sink of Ann Arbor, chairman. A special commission created by the 1929 legislature to make a study of the fund and work out a sound actuarial plan probably also will be asked to take early action.

The fund was first plunged into difficulty when it was discovered that the 1927 legislature had repealed the law

which established the fund. Collections of a certain portion of every public school teacher's salary had been made under the fund's provisions, but discovery that no fund legally existed removed the possibility of continuing this sole source of revenue. As probably a majority of the state's teachers had opposed the plan ever since its inception, most of the teachers refused to allow the withholding of any portion of their wages as soon as the repeal of the law was discovered.

#### Continued to Pay Teachers

The fund organization still existed, however, and payments to retired teachers were continued. The next legislature, convening early this year, hastened to reinstate the fund on its old basis, but made no effort to put the fund on a sound basis except through creation of the commission to study the matter.

With the fund thus impaired through two years' suspension of assessments, the situation has rapidly grown more serious. It is realized now, that even under most favorable circumstances, the fund could not have been continued on its old basis as more teachers qualified for retirement payments.

The blundering way in which the fund has been handled by the state has not been a strong argument for further ex-

perimentation in paternalistic schemes of an insurance nature. Most of the teachers themselves not only distrust the fund's administration, but oppose the principle upon which it is based. Few of the younger teachers intend to make the profession their life work and they consider it unjust that their money should be used to support their aged colleagues who have grown old in the service without making any provision for the future.

Insurance men throughout the state have taken advantage of the dissatisfaction with the fund to negotiate a number of group contracts. The teachers seem to believe that they would be protected much more securely under regular insurance policies of various sorts than under this self-created pension plan.

#### Kemp Given New Post

To care for the increased duties in the rapidly growing agency department of the Home Life of New York, the board of directors has created a new post of agency secretary, naming J. S. G. Kemp to the office. Mr. Kemp, still a young man, has been with the company over 25 years, closely associating with the agency department work all the time.

## Attorneys of Old Colony Sue for \$125,000 in Fees

Suit for \$125,000 attorneys' fees for defending the Old Colony Life of Chicago against receivership action brought by the Illinois insurance department has been filed by Rufus M. Potts and C. W. Armstrong in Cook county, Ill., district court. Mr. Potts asks \$75,000 and Mr. Armstrong \$50,000. The attorneys claim that after negotiations on both sides it was agreed to permit Circuit Judge Michael Feinberg to fix the amount of final fees but the company later challenged Judge Feinberg's jurisdiction. The attorneys then offered to let any circuit or superior court judge or master in chancery in the county hear and fix the fees, but every offer was declined, they say.

Messrs. Potts and Armstrong relate that after the state department had declared an impairment of \$485,000 in the Old Colony and the company's officials claimed a net surplus of only \$132,000, the two attorneys developed the fact that there was a valuable phosphate deposit on the company's Florida land, with the result that the court found a net surplus of \$1,209,000. They claim that they developed and established approximately \$1,700,000 of assets above the department's findings and that as a direct result officers and stockholders now set the value of the company's stock at approximately \$100 a share, whereas it is said before the attorneys started their investigation into assets one officer had given an option on his stock at \$7.50 a share.

#### SAY JELKS IS TO RETIRE

Alabama Papers Forecast the Exit of  
W. D. Jelks as Protective Life  
Chairman of Board

MONTGOMERY, ALA., Jan. 2.—The daily papers announce here that former Governor William D. Jelks is retiring as chairman of the board of the Protective Life. The stockholders and directors will meet Jan. 20. Governor Jelks was reached at his home in Eufaula but declined to make any statement at this time. Governor Jelks organized the Protective Life in 1907 and was its president until the consolidation was arranged with the Alabama National Life. At that time S. F. Clabaugh, Alabama National president, was elected president of the Protective Life. He is one of the prominent executives of the south and is well known throughout the country. It is likely that the position of chairman of the board will be abolished, the duties being assumed by the president. Victor H. Hanson, publisher of the Birmingham "News," is said to have acquired a considerable financial interest in the company. The Protective Life has \$1,000,000 capital and a year ago had \$8529,169 net surplus. At that time it had nearly \$60,000,000 insurance in force. It has a strong board of directors.

#### RETIREMENT CONFIRMED

BIRMINGHAM, ALA., Jan. 2.—William D. Jelks officially announces that he will retire as chairman of the board of the Protective Life, Jan. 20. He will likely retire to his home at Eufaula, Ala., and devote his time to books, writing and travel. The position will not likely be filled.

#### Loan Division Transferred

The policy loan division of the loan department of the Northwestern Mutual Life, including all related matters, has been transferred to and made a division of the actuary's department. The action was taken for the purposes of bringing together the members of the two departments who were engaged in this work and thereby expediting the process of making loans.

# AND 50,000 ANSWERED!

"Your Will" is the subject of the booklet offered to 250,000 Union Central policyholders in a recent circularization campaign. 50,000 indicated their interest in estate matters by asking for the booklet.

The booklet made no attempt to instruct the layman in the intricacies of will making, but as he read, he was led to analyze his financial status carefully. As each page was turned, he found that the very plans he had made for the future were being discussed. The fact that only life insurance could achieve these ends was brought home to him emphatically. A new need for life insurance protection was uncovered.

50,000 times this scene was repeated. 50,000 policyholders contemplated the purchase of additional protection. 50,000 leads were developed almost over night.

The number of leads secured from this campaign is more than twice as large as the number secured during a similar campaign in 1928. And the direct result of last year's campaign was five millions in new business. With such a tremendous increase in number of leads, new business secured from this source may reasonably be expected to double the amount reached last year—another home office service which swells the commission account of the Union Central agent.

## THE UNION CENTRAL LIFE INSURANCE CO.

FOUNDED 1867

CINCINNATI, OHIO

JESSE R. CLARK, JR., PRES.

## AS SEEN FROM NEW YORK

By C. C. NASH, Jr.  
(Nash of the National)

### PENNELL AGENCY IN LEAD

Frank Pennell, New York general agent for the State Mutual Life of Massachusetts, reports a record year in new business, setting a high mark for agency production throughout the country for that company. December paid business of the agency of over \$1,000,000, in spite of early closing of books, brought the year's paid total to \$7,300,000, a company record for a single agency. It is an increase of \$1,525,000 over 1928. This pace setting business has been put on the books in the second year of Mr. Pennell's management. He plans an even greater record for 1930, with several important additions to his staff, including an assistant in the brokerage department, Louis Thomason, who has been with the brokerage department of the Penn Mutual in New York for two years.

### EXAMPLE OF TRAINING SHOWN

An example of the great training field within a large home office organization and of the organization within an organization can be found in the actuarial department of the Metropolitan Life, where there are now 41 men who have within the past year passed some examination pertaining to the degrees for one of the two actuarial societies, the American Institute or the Actuarial Society. In addition to that list of 41 potential actuaries, the department includes about 15 fellows and 15 associates of the two societies. This is just the actuarial corps of one company and reflects the gigantic proportions of the work carried on in that company and also the potential material which will at some time in the future possibly graduate into major positions with other companies. This is one of the phases of home office operations that is not usually noticed and goes on without noise or trumpet.

### COMPETITION A BIG FACTOR

Competition is one of the chief foes of the business man, whether he is selling life insurance or tacks. More good men go down in defeat beating the air against this imaginary foe than from any other single cause. And the lesson of the retail grocer shows the futility of this fight. That individual engaged in what, for a time, appeared to be mortal combat with the chain store. Today, the retailer is staging a very strong come-back, recognizing that defeat to such a combatant as the chain store is but self-deserving defeat, due to lack of enterprise. For the retailer has found it readily possible to meet chain store competition and even eliminate chain store competition by the institution of positive, efficient, intensive sales methods. Which is true in any line.

### INTEREST IN DISABILITY

That interest is keen in the question of the disability clause of the life insurance policy and its future is evident, inquiries from all corners of the field indicating that commissioners, home office officials, agents—and probably policyholders—are all anxiously awaiting the move of the other and very desirous of knowing what that move will be. State officials are anxious to know what the companies want and what they expect to do—and what their fellow commissioners are planning to do. The latter item is one of particular notice, the commissioners very evidently waiting on one another in definitely defining their line of action. Companies are naturally even more anxious to know what these officials are going to do and when it will be done. And not the least concerned is the agent, who knows that some change is imminent but thus far has no intimation as to what the change will be. Every agent in the country will be affected in some way. A few companies

have already raised their rates to an adequate limit, so that they will not have to undertake a rate increase, but these are few and the average is well below the necessary figure as Arthur Hunter demonstrated recently in his paper before the Actuarial Society. Most companies will have to increase rates and practically all will have to revise in some manner the form of clause and reserve basis of operations. This is, without question, the most important and most aggravating question now before life underwriters and will remain so for some time, until a definite program for the future is announced—which now appears to be a matter of action not before the middle of December, which carries it past the next meeting of the commissioners.

### LOOKING ABROAD

The tapping of foreign markets as a part of the coming era of life insurance development is a prediction made by A. Sherman Christenson of the division of commercial laws of the United States Department of Commerce. Mr. Christenson pointed to the recent almost complete withdrawal of United States life companies from foreign fields, but gave sufficient reason for that in the turmoil of the early post-war days. He now believes that the world economic situation is progressing with sufficient gratification to warrant many companies to reconsider expansion beyond the limits of this country. Indeed, Mr. Christenson believes that the foreign business may have an important place in the story of the next decade and the writing of the second hundred billion of business.

The many factors which have combined to hold American companies to this side of the water almost entirely in the total of the first hundred billion in force included limitations of time and distance, differences in peoples and conditions, comparative novelty of life insurance in many other countries, the unlimited market at home which did not require expansion, economic and financial disaster in many countries as a result of the war, bitterness in certain countries as a result of the war, legal restrictions in other lands. Many of these have been and are being removed now and as a result many companies are again seeking foreign markets. Now the foreign field is even greater than in the past, as the Latin American coun-

tries, not considered as potential life insurance countries a decade ago, are looming as the greatest field for outside development. Outside of the Latin American countries, Germany is at present the most closely watched for possibilities of future development.

### Join National Guardian Life

A. C. Resek and R. J. Neckerman, familiarly known as "Rube," have been added to the personnel of the National Guardian Life. Mr. Resek, with offices in the State Bank of Wisconsin building, Madison, will become agency supervisor, working with W. J. Wandrey, for many years agency secretary. For seven years he was agency manager for the Equitable of New York, at Dixon, Ill. Since 1927 he has been agency supervisor for Continental Assurance, Chicago.

Mr. Neckerman, who went to the home offices of Continental Casualty, Chicago, after serving with the Cardinal agency of the National Guardian Life, is returning to his former post.

### New York Managers to Meet

The annual meeting of the Life Managers Association of New York City will be held the evening of Jan. 8, at the Yale Club.



## THE SAME RESOLUTION FOR THE 46th TIME

This Company renews for 1930 the same resolution made by its founders forty-six years ago, namely:

TO CREATE THE BEST LIFE INSURANCE PROTECTION FOR POLICYHOLDERS THAT THE EARNEST AND UNDIVIDED EFFORTS OF THE COMPANY CAN ACHIEVE.

Our beliefs, as we enter the new year, are not changed. There are no better policies than Franklin policies. There are no insurances that meet insurable needs more accurately. And there are no fieldmen who enjoy more just, equable, and satisfactory business associations with their Home Offices than do Franklin fieldmen.

Yes—1930 finds us thankful for attainments made, but not yet satisfied, for as long as progress CAN be made we will never cease our efforts to make it.

**THE FRANKLIN LIFE INSURANCE COMPANY**

Springfield, Illinois



## Union Central Has Big Policyholders Month

November was "Policyholders' Month" for the Union Central. There were 27,000 service calls on policyholders. C. A. Leavitt of Chattanooga won three first prizes in securing the largest number of points, the greatest number of lives, 60, and making the largest number of calls, 510. He wrote \$123,000 of business.

B. A. Wiedermann secured the largest amount of business, \$249,000.

One of the outstanding features of the campaign was the work by the M. G. Hodnette Agency of Denver. Out of 16 active agents it had 11 on the Hundred Club. This was done despite the fact that during the month there were 13 heavy snows in Colorado which, from the results, did not hamper the agents in securing the business.

Lee Ach received third prize in the largest amount of business written, writing \$182,000. This was considered all the more remarkable due to the fact that Mr. Ach has been in the business less than a year, joining the Cincinnati agency early in 1929.

### Life Policies for Employees

A \$1,000 life policy with premium paid was presented as a Christmas gift to each of the 145 employees of the home office of the Continental Life of St. Louis. President Ed Mays announced that the extension of this protection to its workers was a part of the company's progressive program and a recognition of the fine spirit of cooperation in the organization which has made possible a steady increase in the Continental's business. The holders of these policies will pay no premiums, the company carrying the risk under the group plan.

### Discuss Field Men's Problems

Walter E. Webb, vice-president of the National Life U. S. A., tendered a luncheon to 19 members of the home office agency department. He spoke briefly of the vital importance to a life company of having the home office staff understand field men's problems and maintain excellent service. Brief talks were also made by John B. Parker, agency secretary, Supervisor of Agencies Hudson, Assistant Secretaries Ryan and Mullins, Agency Supervisors Holdhusen, Wood and Harrison, Messrs. Fohr, Hall and Weiss of the agency department and others.

### New Man-Building Program

The Equitable Life of New York has announced a five-year man-building program based on production honor club qualifications. There will be two clubs, the Century Club divided into three corps, the \$100,000, the \$150,000 and \$200,000, and the Quarter Million Club, which in turn is subdivided into the following corps: \$250,000, \$500,000, \$750,000, the \$1,000,000, or multiples thereof. The Century Club will be divided into five districts: the eastern, greater New York, southern, central and western.

### W. H. Young Is Dead

KANSAS CITY, MO., Jan. 2.—William H. Young, 78 years old, state agent for the Phoenix Mutual Life for the past 30 years, died last Saturday in Chicago. Mr. Young left Kansas City two weeks ago to visit Dr. Earl T. Young, his son, in Chicago. He was taken ill just before Christmas.

### Muhlberg Gives Radio Talk

Dr. William Muhlberg, medical director of the Union Central, is delivering a series of radio talks on heart disease for the Heart Council of Greater Cincinnati. His talks prove very interesting and instructive. The second of them was given over the radio Sunday of this week.

## Lamont Sounds Note of Optimism

Although one of the most disastrous crises in the history of this country occurred this year and there were substantial recessions in some business activities, American business in 1929 reached higher levels than ever before, Robert P. Lamont, Secretary of Commerce, announces in response to requests for a statement of conditions and prospects for 1930. Domestic trade attained new peaks, as indicated by department store sales and operations of mail order houses and chain stores. Commodity prices were steady, with only a slight downward tendency, and there was no undue accumulation of stocks of goods.

### Construction Falls Off

The only important branch of business that showed less activity in 1929 than in the previous year was construction, a large part of the decrease being chargeable to falling off in residential building.

Secretary Lamont says that this solid economic progress was not in any sense the result of a boom and that it has greatly helped to alleviate the effects of

the stock market break in October and November. Manufacturing showed approximately 20 percent increase over 1923, which was a very active year. Automobile production reached the record total of 5,500,000 units in 1929, the largest output ever attained.

### Money Plentiful and Cheap

Except in certain branches of the construction industry, legitimate business found funds plentiful and reasonably cheap, despite a sharp rise in interest rates before the stock market crash. Following the security liquidation, interest rates declined to the lowest levels in 18 months.

In summing up, Secretary Lamont says: "Broadly speaking, the business history of 1929 recorded the continuation of a movement which has been substantially unbroken for an exceptionally long period. It is impossible, of course, to forecast what temporary ups and downs may occur, but the nature of the economic development of the United States is such that one may confidently predict for the long run a continuance of prosperity and progress."

## Levee District Can Levy Taxes in Mississippi

The Yazoo and Mississippi Delta levee district can legally levy a privilege tax, according to a Mississippi supreme court decision. The North American Accident contested a demand that it pay \$200 for each of the years 1926, 1927 and 1928, for the privilege of doing accident insurance business within the district during those years. It contended that it was not liable for the levee privilege taxes, because, by Chapter 185, Laws of 1922, "the insurance commissioner shall collect and pay into the state treasury the following license and privilege taxes, which shall be in lieu of all other licenses and privilege taxes, state, county or municipal;" that it had paid its state privilege taxes to the state insurance commissioner, and therefore the use of the word "municipal" in the statute operates to relieve appellant of these levee privilege taxes; that since the words "municipal" and "municipal authority" may include governmental districts, such as levee districts, the terms as used in these statutes should be given that interpretation in favor of the taxpayer.

It was held by the court that statutes such as this do not have these levee districts in purpose, unless the terms thereof show either by express words, or by terms that are otherwise satisfactory, that these districts were meant to be included. The district under consideration is not a municipal corporation. Levee districts are governmental agencies for the purpose of carrying on only certain public improvements. There can be no question that levee boards, under the constitution, are bodies politic entirely separate and distinct from municipal corporations for the purpose of taxation.

### Continental of Chicago

On Dec. 24 the Continental Assurance of Chicago had sent to its home office \$1,178,000 applications for new insurance in honor of Executive Vice-President G. F. Claypool. This was the first time in its history that production in a single day passed \$1,000,000.

### Passes 100 Million Goal

The Kansas City Life more than realized its goal of \$100,000,000 of business written and paid for in 1929. Well over \$105,000,000 had been issued and paid for up to Monday. This puts the business in force of the Kansas City Life well over \$430,000,000.

## Green Signal Club of Illinois Life Will Meet

The Green Signal Club of the Illinois Life, which is the home state organization, will hold its annual convention at the home office in Chicago Jan. 4. There will be no outside speaker. President R. W. Stevens will give a talk on "The New Type of Underwriter" at the final session. The program follows:

Presiding, Daniel B. Ryan, Retiring President Green Signal Club.

Reading of Minutes of Last Regular Meeting, P. L. Sausser, Secretary Green Signal Club.

President's Inaugural Address.

To Sell Policies See People, William B. O'Brien, Northwestern Illinois.

Insurance for Children, Frank L. Medley, Wabash Valley Agency.

The Approach—Should It Be Standardized? Advance information; cold canvass; use of names of friends and policyholders, James E. Wroughton, Corn Belt Agency.

The Presentation and Close—Points to emphasize; handling the application; meeting objections; should competition be argued or avoided, and how? Chester E. Pease, Chester E. Pease Agency, Chicago.

How Much Insurance and What Form of Policy Should Prospect Have? James E. Polka, Chicago Southwest Agencies.

How Frequently and in What Manner Should We Make Contact With Policyholders? Nicholas P. Brewer, Home Office Agencies.

Avoiding Incomplete, Declined and Cancelled Cases, Loy Barger, Southeastern Illinois.

Meeting the Actual Results and Estimates as to the Future Used by Agents of Participating Companies, Forest A. Barr, West Suburban Agencies.

Why Do Some New Salesmen Succeed Where the Majority Fail? T. J. Harbaugh, East Central Illinois; Harry E. Wood, Edwin Hansen Agency, Chicago.

The New Type of Underwriter, R. W. Stevens, President Illinois Life.

### Union National Changes

Dr. Howard O. Lienhart has been elected medical director of the Union National Life of Kansas City to replace Dr. Stanley M. Hall, resigned. Earl K. Townsend, vice-president and superintendent of agencies for the Union National for the past year and a half, has resigned and though no plans have been announced, it is understood he will not reenter the insurance business.

The Union National paid for over \$3,000,000 of life insurance in 1929, according to Chester I. Dale, president, an increase over 1928 of \$2,000,000.

## Holds American Courts Can Decline German Suits

PORTLAND, ORE., Jan. 2.—Trial courts in Oregon have the discretionary power to decline jurisdiction in suits brought by residents of Germany to recover on life insurance policies written in that country by American companies operating in Germany prior to the world war, according to the decision of presiding Circuit Judge Tucker, who overruled the demurrer of Adolph Kahn, one of the plaintiffs, to the answer of the New York Life.

The answer of the company to the suit of Kahn, who resides in Frankfort-on-Main, Germany, set out that the policy provides not only that the performance of the policy shall be in Germany, but that the German courts shall have exclusive jurisdiction. It further set forth that the German insurance department has created machinery through and by which parties to contracts, including insurance policies, have a hearing before an administrative body where equity can be obtained. It is further alleged that the plaintiff has invoked this machinery and has received some 26,000 marks. Trial in the American court would necessitate the translation of contracts, policies, decisions, statutes, regulations and rulings of the German courts.

Kahn is one of some 270 German policyholders who have brought suit in Multnomah county to recover an aggregate of \$1,500,000 on policies written by American companies in Germany. In addition, a large number of similar cases have been filed in courts in other states, and some of them have been tried. It is declared that approximately \$50,000,000 is involved in the cases filed throughout the country.

As both the premiums and the death benefits were payable in marks, the contracts have enormously depreciated in value. The holders thought by bringing suit in this country to obtain the value of the policies in the equivalent of what the policies would have brought had not the inflation of German currency taken place.

### Will Enter New Territory

The Pan-American Life expects to enter this year South Carolina, Iowa, Kansas and Oklahoma. At the present time the company has 60 agencies and more than 1,000 agents. Before the close of the year it hopes to have 75 agencies and more than 1,500 agents.

### New York Veteran Dies

Edison Russell, for many years agency director in northern New York for the New York Life, died in a Watertown hospital in his 78th year. He retired in 1924 after many years of service with this company in that district. Mr. Russell's wife died only a few days before he did.

### Educational Director Resigns

James Stewart, educational director for the National Fidelity Life of Kansas City, has resigned. Mr. Stewart went to the National Fidelity from the Equitable of New York at Muskogee, where he had been general agent. His experience with the Equitable had covered a period of 17 years. Mr. Stewart has not announced his plans but it is understood that he has gone to Oklahoma City.

### Celebrates Golden Wedding

Celebrating their golden wedding anniversary, Mr. and Mrs. F. C. Butts of Minneapolis were honored at a dinner given there at the home of their son, Charles F. Butts. Mr. Butts entered the employ of the John Hancock Mutual Life in 1897. Later, he formed the Butts Agency, now general agent for that company in Minneapolis, of which he is still a partner.



## NEWS OF COMPANIES

### THREE PASS MILLION MARK

#### Reinhard Leads Bankers Life of Iowa in New Paid For Production in 1929

DES MOINES, Jan. 2.—When the 1929 producers' club year of the Bankers Life of Iowa closed on Dec. 16, T. S. Reinhard, New York agency; W. B. Mahaffa, central Iowa agency, and Joseph Janciar, Pittsburgh agency, were at the top of the production list and were all in the "millionaire" class. Mr. Reinhard had a paid-for production of \$1,275,000, the largest individual production in the history of the company. Mr. Mahaffa exceeded his own million-and-better performance of 1926 and took second place with \$1,249,250. His total was also in excess of all previous company records. Mr. Janciar finished the year with \$1,052,000. This was his fourth consecutive million dollar production in slightly less than four years of Bankers Life sales work.

The next high man was G. C. Woods, agency manager in Nashville, Tenn., with \$692,000. He was followed by six half-million men. These men and their totals were A. L. Danford, Syracuse, \$565,000; C. M. Hodney, Elgin, \$538,750; Robert Mercer, Chicago, \$530,000; J. M. Keplar Indianapolis, \$519,425; R. L. Bailey, Mason City, \$516,280; R. P. Tucker, Elgin, \$513,500.

Seven Bankers Life men were \$400,000 producers, 33 had totals ranging from \$300,000 to \$399,000; 107 qualified as \$200,000 men, and 258 salesmen ended the year with totals of \$100,000 to \$199,367.

### CANADA LIFE'S INVESTMENTS

#### Large Part of Assets Found in Bonds, Preferred Stocks and Real Estate Mortgages

President Leighton McCarthy of the Canada Life announces that in the last 11 months it has purchased securities and loaned money amounting to over \$26,000,000. It has been invested principally in bonds, preferred stocks and mortgages. Of the total amount \$11,250,000 was placed in bonds, \$4,200,000 in preferred stocks and \$10,500,000 in first mortgages on real estate. President McCarthy says the Canada Life has less than 2 percent of its assets invested in common stocks.

#### Alamo Life

The Alamo Life of San Antonio has increased its capital from \$100,000 to \$200,000. The entire increase of stock is taken by Harry H. Rogers, San Antonio and Tulsa, Okla., capitalist.

#### New Union Central Director

Following the death of Alfred C. Cassett, prominent attorney of Cincinnati and director of the Union Central Life, John R. Schindel has been elected director. Mr. Schindel is also a well-known attorney of Cincinnati and has acted as attorney of the Union Central in a number of cases. He is also general counsel of the Columbia Life.

### RELiance MUTUAL LICENSED

#### New Legal Reserve Company Will Reinsure Business of Covenant Life of Chicago

The Reliance Mutual Life of Illinois has been licensed by the Illinois department as a legal reserve company. The officers are O. W. Carlson, president; Andrew Sandberg, secretary, and D. F. Campbell, actuary. The company has been organized to reinsure the business of the Covenant Life of Chicago, which was organized in 1904 as the Swedish Mission Friends Aid Association. The name was changed to Covenant Life in 1927. The Covenant Life is operating only in Illinois. Its statement as of Dec. 31, 1928, showed admitted assets of \$483,630 and insurance in force of \$2,319,500.

The contract of reinsurance between the two companies will be acted upon at a meeting on Jan. 27, 1930. All outstanding business will be reinsured with no increase in rate. The company is located at 120 South La Salle street, Chicago.

#### Texas Companies' Changes

Assistant Attorney General Chandler of Texas has approved charter amendments of Western Reserve Life of San Angelo, increasing capital from \$150,000 to \$157,500, and the National Security Life of Wichita Falls, increasing capital from \$200,000 to \$225,000.

Approval was also given a charter amendment of the National Standard Life of Dallas, changing its place of business to New Waverly.

#### American Union Life Licensed

The Oklahoma department has licensed the American Union Life of Tulsa. The company operates as a legal reserve company with G. B. Combs, president; John F. Raper, J. A. Waldrep, W. P. Falkenberg, vice-presidents, and Lee Williams, secretary-treasurer. It has authorized capital of \$50,000, and has headquarters in the McBirney building at Tulsa.

#### Fred A. Weiner Dead

Fred A. Weiner, treasurer of the Cleveland Life Underwriters Association and one of its most enthusiastic supporters, died Saturday after an illness of about nine months. Mr. Weiner had been with Herman Moss in the Cleveland office of the Equitable Life of New York since 1919. He was president of the Jewish Orphans Home alumni and hearty supporter of philanthropic work in connection with that institution.

#### Atlantic General Agents Meet

For the purpose of discussing plans for development and expansion in 1930, general agents of the Atlantic Life will meet at the home office in Richmond Jan. 6-7. John Marshall Holcombe, Jr., and H. G. Kenagy of the Life Insurance Sales Research Bureau will address the meeting the morning of the first day.

## However Hard

a Life Insurance Agent may work to produce business, his chances of success are better when he represents a fine old institution such as the

## MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

SPRINGFIELD, MASSACHUSETTS

Organized 1851

More than a Billion and Three-Quarters of Insurance in Force

## "The New Fire Has Come!"

The Aztecs of old Mexico believed that at the end of a definite period of years the world would come to an end. They did not profess to know when that event would occur. If it should not come at the end of this period, then perhaps it would come at the end of the next similar period. And so when the end of a period was near they extinguished their hearthfires and all other fires and journeyed to the great sacred mountain, on whose top was the temple of their gods.

Then when the last minute of the period had passed, the priests took from the altars and distributed the new fire to the people. Carrying it in earthen and copper vessels they forthwith started their homeward journey over the hills, through the valleys, across plains and rivers, crying joyfully as they went, "The new fire has come! The new fire has come!"

To us moderns the new fire of life comes at New Year's. To all in the fraternity the PENN MUTUAL expresses the wish that the new fire of this wondrous life insurance era shall afford a blazing flame of inspiration in 1930, bringing the success of great prosperity and of augmented satisfaction in the service of the people.

### —AND SO OUGHT YOU!

#### The National Underwriter

A1946 Insurance Exchange,  
Chicago, Ill.

Please enter my subscription for one year at \$3.00.

☐ Send Bill

☐ Check attached.

Name..... Position.....

Company.....

Address..... City..... State.....

Life

# Announcing a Remarkable to the Science of Life Insurance

**T**HE remarkable new FAMILY INCOME POLICY just introduced by the Continental American will undoubtedly become a landmark in the history of life insurance, for it meets the needs of the average family far more effectively than any of the plans heretofore in use. Yet, like many other great inventions, it is so amazingly simple that you will wonder, as we do, why no one ever thought of it before.

The essence of this great plan is that without increasing the necessary premium deposits, it **DOUBLES** the family income while your children must be provided for, and then pays the full face amount of your insurance to your wife or other beneficiary.

If you are able to buy only enough insurance of the ordinary kind to give your family an income of \$600 a year, this new plan will, for the same premium deposit, increase the income of \$600 to \$1,200 a year. If you can afford enough to yield a \$6,000 income, this new plan will increase it to \$12,000 for the same investment.

And this doubled income continues until all your children are old enough to be self-supporting—until your youngest child is at least 20—when the full face amount of your insurance is then paid in cash to your wife or any one you name.



## Note—for Those Technically Interested:

The formula for computing the net level premium for this new Family Income Plan is:

$$\frac{A_x + (.12 - i)(a_{\overline{n}|} - a_{x:\overline{n}|})}{1 + a_x}$$

## Pays 12% Income Until Family Is Grown—then Full Face Value in Cash

In substance, this new Family Income Policy provides that if you should pass out of the picture, each \$10,000 of your insurance pays your family an income of \$1,200 a year (12% of the \$10,000), until all your children are old enough to be self-supporting—until your youngest child now living is at least 20—and then pays the full \$10,000 in cash to your wife or anyone you direct.

But even more surprising than what this new plan will do, is how little it costs—as you will see at once from the following description.

## Doubles the Family Income for the Same Premium Deposit

This striking result is obtained by the simple process of combining an income plan with our low-rate preferred-class life plan. The life plan pays the face amount of the

IT is now possible to take a  
of money, which, be, and  
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**TWICE AS MUCH INCOME**  
while children  
are growing up

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That this result is obtained  
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THE remarkably low rate is due to the  
CONTINENTAL AMERICAN, unlike many, special  
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At the same time, the Company has the Res  
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Surplus, over and above these, more than twice as  
to liabilities as is usually the case, a margin  
holders more than twice as great.

# Continental American Life Insurance Company

WILMINGTON, DELAWARE

Specializing in Large Policies

# able New Contribution eLife Insurance

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EACH INCOME  
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MIN DELAWARE

ing Larger Policies

insurance; and the income plan, added to the interest from the investment of the insurance, pays the 12% income to the family.

The necessary rate for these two plans combined, turns out to be so remarkably low that if you invested exactly the same sum in the ordinary kind of insurance at the average age, it would only buy enough to yield about half the income that this new 12% plan pays your family while your children are growing up—at the time they need it the most.

So that whatever is the sum you may wish to invest, this new 12% plan makes it pay your family, while your children are dependent, practically DOUBLE the income they would otherwise receive!

The result is that you can now afford to guarantee your family twice as much income as ever before—not only an ample income, but a good living income that will put your wife and children far beyond the pinch of want.

### Pays \$100 a Month for Only \$5 a Week

At the average age of 35, the rate for this new Family Income Policy is approximately 50¢ a week for each \$1,000 of the insurance—from \$22.93 to \$26.83 a year, depending on the ages of your children.

The same amount invested on the Ordinary Life plan in this Company—at a rate concededly lower than that of most other

Companies—would only buy enough to yield about half the income that this new plan pays the family while the children are dependent.

And the low rate for this new plan is still further reduced by the dividends you receive at the end of every year after the first.

Think of it! Less than \$5 a week, on the average, gives you a \$10,000 policy which guarantees that if you should die, your wife and children will receive \$1,200 a year—\$100 a month—until your youngest child now living is at least 20—and then pays the \$10,000 in cash to your wife or anyone you name, and in any manner you direct!

And if you live until all your children are at least 20, you will then have \$10,000 of Preferred Class Life Insurance for the benefit of your wife or other beneficiary, which you may continue as long as you like; or, if you surrender it for cash, will return you a large part of all you have paid in from the beginning.

### Get the Facts at Once

In time, you will doubtless be able to get this great policy from many other excellent companies.

But now you can get it only from us.

Return the coupon and let us send you full information including the exact rate for your own age.

### Mail This In Today

CONTINENTAL AMERICAN LIFE INSURANCE CO.  
Wilmington, Delaware

Send me exact rate and full information about your  
**NEW FAMILY INCOME POLICY**

Name \_\_\_\_\_

Address \_\_\_\_\_

Occupation \_\_\_\_\_

Born \_\_\_\_\_ MONTH \_\_\_\_\_ DAY \_\_\_\_\_ YEAR \_\_\_\_\_ Ages of Children \_\_\_\_\_

P.





## Ten Profit Points

Commission, company, contracts, are only names. These are valuable to agents only when they are backed by service that enables the agent to write a profitable volume of business.

The following are ten profit points of the Ohio National Life Insurance Company:

- 1—No investments in fluctuating securities.
- 2—Ample capital and surplus for protection of policyholders.
- 3—Policies for everyone—birth to age 65—both men and women.
- 4—Sub-standard department for under average risks.
- 5—Policy for rejected risks.
- 6—Non-medical application service.
- 7—Free health examination service for policyholders.
- 8—An agency-minded Home Office staff.
- 9—A correspondence course in life insurance for both beginners and experienced agents.
- 10—Participating or estimated low cost policy service; non-participating or guaranteed low cost policy service.

The foregoing are only a few of the reasons Why It Pays to Tie Up With The Ohio National.

Desirable openings available in the following states: Arkansas, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Mississippi, Missouri, Nebraska, Ohio, Pennsylvania, Tennessee, Texas and West Virginia.

For information as to territory and details of contract write—

**The Ohio National Life Insurance Co.**  
Cincinnati, Ohio

T. W. Appleby, President.

E. E. Kirkpatrick, Supt. of Agencies

## "Great Opportunities for You With Us"

### I WANT MEN

In the cities and states shown who have confidence in themselves and who are proud of their background of achievements. I want to hear from such men that I may choose a State Manager in each of these centers. Such a man must be capable of earning a sizable

### Salary

but prefers to gain all the profits from his labors. In the latter case I have a commission contract for him that

### Is

so broad and so profitable that he will become one of the outstanding citizens in his neighborhood as he continues to prosper. There is

### No

more complete assembly of policy contracts available in the Life Insurance Profession than those offered by us. To qualify for this lucrative position of trust, one needs only to have the moral support of his neighbors, a reputation for integrity and a desire to make his

### Object

in life the fulfilling of the needs of his fellow-man insurance-wise. Write me a letter about what you want most and I will arrange a personal interview.

O. L. HOLLAND,  
President.

**American National Assurance Co.**

3719 Washington Boulevard

St. Louis, Mo.

## Issues Unusual Income Policy

(CONTINUED FROM PAGE 3)

of years, if the insured doesn't want the beneficiary to receive the face amount of the policy.

"Of course, all this sounds almost incredible, because any possible combination of existing plans would cost far more than \$250 per \$10,000. On a straight life basis it would take about \$24,000 of insurance to accomplish the same result if the beneficiary could invest the principal at about 5 percent, and that \$24,000 of insurance would cost approximately \$500 a year, or twice the \$250 a year which this plan costs.

"On any combination of income plans, while it would cost less than \$500, it would still cost somewhere around \$400 a year; and even if the insured knew enough to match up \$10,000 of straight life with enough term insurance to get the same effect, the cost would still be much greater, so that, as already stated, this new plan puts a living income within the reach of many a pocketbook that never before could afford it and will result in giving thousands of dependent women and children a much greater income than has ever before been possible.

### Combined With Annuity

"What we do is to take a given amount of ordinary straight life and then add to it a temporary annuity certain of enough to make up the 12 percent income. But the rate for the two things combined is amazingly small, for the following reasons:

"1. The extra income is payable only in case of death within the first 20 years; if the insured dies after the first 20 years the insurance is simply paid in a lump sum in the usual way. Therefore, since the extra income is contingent upon death within 20 years, the necessary cost is relatively small.

"2. The extra income is payable not for 20 years after the death of the insured, but only for the unexpired period of 20 years from the date of the insurance. This decreasing liability added to the fact that the whole thing is contingent on death within a given period, still further reduces the necessary extra charge.

"3. Finally, instead of spreading out this extra charge only over the 20 years within which the extra benefit operates, we have spread it out through the entire life of the policy, so as to reduce the initial cost to the lowest possible figure in order to enable the insured to buy the largest possible income at the time when he needs it the most.

### Dividends Are Big Factor

"The dividends may be used, if desired, on our term addition plan, which permits them to be used without examination (if applied for when insured) for the purchase of one year term insurance at net rates.

"Viewed from every standpoint, the effectiveness of this new plan is certain to make it in the course of time, one of the outstanding milestones in the entire history of life insurance, for I believe it is the first and only practical income plan which is effectively adapted to the needs of the average man on the street and which at the same time can be supplied to him at a cost which is easily within reach of even a modest income.

"This new plan is likely to completely revolutionize the sale of life insurance for the protection of the family, for it not only meets the needs of the average family far more effectively than any of the plans now in use, but it does so at such a tremendous reduction in cost that thousands of people who never before were able to do so can now afford to guarantee the family a good living income."

At the average age of 35 the rate for the family income policy is approxi-

## Patterson Agents to "Say It With Apps"

A dinner of approximately 75 agents of the Alex. E. Patterson general agency of the Penn Mutual in Chicago Jan. 2, at which the agency's handsome 1929 record of approximately 66 percent increase in paid business was reviewed, was the opening gun in the 1930 campaign which in January is being started off with an appreciation month for Mr. Patterson.

Mr. Patterson left this week on a special trip of Penn Mutual home office executives and several leading general agents from coast to coast in the company's campaign to "line up" with President Hoover's business expansion program.

### Gained 66 Percent in 1929

The Patterson agency paid for \$14,601,198 of business in 1930, as compared with \$8,768,184 in 1929, or a gain of \$5,837,016. Incidentally the agency closed December with ten consecutive months in which production was \$1,000,000 or more.

Mr. Patterson was toastmaster at the dinner Thursday night and Frank H. Davis, the Penn Mutual's general agent at Denver, was honor guest. Herman Kramer, leading producer of the Patterson agency, who paid for approximately \$2,000,000 in 1929, was also honored.

### Believes Big Year Ahead

The 1930 campaign has been started with the slogan "App-a-Day While Pat's Away." All applications in the month will be written on special forms and the agents are being urged on special letter-heads to "Say It with Applications." Mr. Patterson expects to show further large increases in paid for business this year, as he believes life insurance is now beginning to capitalize on the object lesson given the American public through the stock market crash.

## Minnesota Mutual Tells 50th Anniversary Plans

Construction of a new building to house the home office and inauguration of several new plans to aid its agents will mark the 50th anniversary of the Minnesota Mutual Life, officers of the company announced.

The new building will be erected on University avenue near Hamline avenue, St. Paul. The present offices are located in the Commerce building.

Among the innovations for the field workers will be extra compensation for general agents in specified increases, provisions of intervening agency contracts to aid general agents in the development of man power, a training school for agents, with provisions for a new class every 60 days, and a golden celebration convention at Colorado Springs, July 7-10.

mately 50 cents a week for each \$1,000, or from \$22.93 to \$26.83 a year, depending on the ages of the children. If the policyholder lives until all the children are at least 20 he may surrender it for cash and a large part of what he has paid will be returned. At age 35, with a yearly deposit of \$268.30, a policyholder who lives to age 65 could take a minimum guaranteed cash value of \$4,530, figured on the basis of using the dividends to reduce premiums, rather than permitting them to accumulate.

Rates per \$1,000 for the two plans at representative ages follow:

Age	20-Yr. Plan	10-Yr. Plan
21	\$18.22	\$15.43
25	19.93	16.95
30	22.80	19.54
35	26.83	22.93
40	32.49	27.49
45	40.77	33.81
55	71.97	55.75
50	53.21	42.80

## Stock Crash Is Only Small Aid

(CONTINUED FROM PAGE 5)

ports, there having been a substantial increase of insurance in force and also increased production. President Stevens sees a bright future for life insurance this year.

"I really do think, however, that the psychology of the stock market drop has affected the producing agents mentally, although it is my belief that the market actually had no more real effect on life insurance sales than the Chinese-Russian war. I believe the substantial agents feel in just as good position and are doing just as well as ever," he said.

Outstanding insurance of the Illinois Life on Dec. 31 was \$178,000,000. Income for the year was just short of \$7,000,000 and admitted assets were set at \$41,000,000. Capital, surplus and special funds now total more than \$11,000,000, President R. W. Stevens announces. The company paid more than \$3,000,000 to policyholders and beneficiaries in the year, and since organization it has paid over \$38,500,000.

### Security Life Does Well

The Security Life of Chicago recorded about 10 percent increased production, having written approximately \$17,500,000 of business last year. This is expected to increase the insurance in force well over \$3,000,000 and to place the total in force at the end of the year in the neighborhood of \$64,500,000. November and December production ran a little heavier than the remainder of the year, being about 12 percent increase over the corresponding months last year.

S. W. Goss, vice-president and superintendent of agents, reports that the company accomplished a material increase in agency force last year, and expressed the belief that 1930 will show an even larger production increase than 1929. Mr. Goss finds general business sound and he believes that life insurance production will be materially helped this year through the return of money from the New York stock activities to be used in local affairs.

A turkey contest in November materially boosted production and in December a contest was held for President O. W. Johnson, resulting in the writing of approximately \$1,700,000 of business.

The Federal Life closed 1929 with approximately \$150,000,000 paid-for business in force, the officers report. There was a net increase of about \$15,000,000 in this figure. The company actually issued more than \$45,000,000 of business in 1929, and more than \$60,000,000 was written. Surplus was materially increased from the business, although that was not an item in the increase of capital from \$300,000 to \$500,000.

## New Disability Rates Put Out

(CONTINUED FROM PAGE 3)

erage as the experience has clearly demonstrated that the rate of total permanent disability is very much greater for women than for men. In both its disability benefits the new rates provide for waiving of the gross instead of the net premium as heretofore and the dividends paid, after occurrence of disability before age 60, for contracts issued with these new rates will be the same as though the disability had not occurred. The retirement annuity rates for

women are not double those for men because the contract is issued up to 65 on men and up to age 60 on women.

The Equitable expects to adopt a new disability clause to conform with the new standard some time between Feb. 1 and July 1.

The New York Life has issued its new disability rates effective Jan. 1. Women under the company's revised rule will be covered up to age 55 and will be charged the same premium as men but will be entitled to only 1/2 percent disability payment instead of 1 percent as the case of men. Rates on "waiver premium only" for women will be double those for men. The new rates for the New York Life follow:

### Rates Per \$1,000 Policy

Age	Dis. and Doub. Indem.			Dis. without Doub. Indem.		
	Ord. Pay.	20- Yr. Life	20- Yr. End.	Ord. Pay.	20- Yr. Life	20- Yr. End.
15	21.38	22.96	51.18	20.38	21.31	50.18
16	21.79	23.40	51.38	20.79	21.76	50.38
17	22.20	23.87	51.60	21.20	22.23	50.60
18	22.65	24.33	51.79	21.65	22.70	50.79
19	23.09	24.80	52.01	22.09	23.18	51.01
20	23.56	25.29	52.22	22.56	23.68	51.22
21	24.05	25.79	52.44	23.05	24.19	51.44
22	24.56	26.28	52.68	23.56	24.70	51.68
23	25.09	26.82	52.91	24.09	25.25	51.91
24	25.64	27.36	53.17	24.64	25.80	52.17
25	26.22	27.91	53.44	25.22	26.36	52.44
26	26.83	28.49	53.73	25.83	26.95	52.73
27	27.47	29.10	54.02	26.47	27.57	53.02
28	28.14	29.70	54.35	27.14	28.19	53.35
29	28.84	30.35	54.68	27.84	28.85	53.68
30	29.57	31.02	55.06	28.57	29.53	54.06
31	30.36	31.72	55.46	29.36	30.25	54.46
32	31.16	32.45	55.88	30.16	30.99	54.88
33	32.04	33.20	56.34	31.04	31.75	55.34
34	32.95	33.99	56.81	31.95	32.56	55.81
35	33.91	34.81	57.33	32.91	33.39	56.33
36	34.92	35.67	57.92	33.92	34.27	56.92
37	35.99	36.58	58.53	34.99	35.19	57.53
38	37.12	37.51	59.19	36.12	36.14	58.19
39	38.32	38.49	59.92	37.32	37.14	58.92
40	39.60	39.53	60.70	38.60	38.19	59.70
41	40.94	40.75	61.47	39.94	39.43	60.47
42	42.36	42.04	62.30	41.36	40.73	61.30
43	43.88	43.40	63.18	42.88	42.11	62.18
44	45.48	44.84	64.15	44.48	43.56	63.15
45	47.18	46.35	65.18	46.18	45.09	64.18
46	49.00	47.95	66.31	48.00	46.71	65.31
47	50.93	49.66	67.53	49.93	48.43	66.53
48	52.98	51.44	68.84	51.98	50.23	67.84
49	55.16	53.36	70.29	54.16	52.16	69.29
50	57.49	55.38	71.84	56.49	54.20	70.84
51	59.96	57.56	73.53	58.96	56.39	72.53
52	62.61	59.87	75.39	61.61	58.72	74.39
53	65.42	62.33	77.41	64.42	61.19	76.41
54	68.41	64.95	79.59	67.41	63.82	78.59
55	71.63	67.78	81.99	70.63	66.67	80.99

### Waiver of Premiums Only for Males Per \$1,000 Policy

Age	Ord. Pay. Yr. Life			Age 65 85 Yr. End.		
	Ord. Pay.	20- Yr. Life	20- Yr. End.	Age 65	Age 85	Yr. End.
15	17.82	27.68	31.53	20.13	17.86	48.31
16	18.18	28.07	31.67	20.59	18.22	48.45
17	18.53	28.48	31.82	21.09	18.58	48.60
18	18.92	28.90	31.96	21.61	18.96	48.74
19	19.30	29.33	32.12	22.15	19.35	48.90
20	19.72	29.78	32.28	22.72	19.77	49.06
21	20.15	30.25	32.45	23.33	20.21	49.22
22	20.61	30.73	32.64	23.97	20.67	49.40
23	21.07	31.23	32.84	24.64	21.13	49.59
24	21.57	31.76	33.04	25.35	21.63	49.78
25	22.09	32.29	33.27	26.11	22.16	49.99
26	22.65	32.85	33.51	26.91	22.72	50.20
27	23.22	33.43	33.78	27.75	23.30	50.42
28	23.83	34.03	34.06	28.64	23.91	50.66
29	24.46	34.66	34.35	29.59	24.55	50.91
30	25.12	35.32	34.68	30.62	25.21	51.19
31	25.83	36.00	35.05	31.70	25.93	51.49
32	26.57	36.72	35.43	32.85	26.68	51.79
33	27.36	37.47	35.85	34.08	27.47	52.13
34	28.18	38.25	36.31	35.40	28.31	52.48
35	29.05	39.07	36.81	36.81	29.18	52.86
36	29.98	39.93	37.34	38.33	30.12	53.29
37	30.95	40.84	37.92	39.96	31.11	53.74
38	31.98	41.79	38.56	41.73	32.15	54.23
39	33.08	42.77	39.25	43.63	33.27	54.77
40	34.25	43.84	40.01	45.70	34.43	55.35
41	35.47	44.96	40.84	47.94	35.68	56.00
42	36.78	46.15	41.75	50.39	37.01	56.72
43	38.18	47.41	42.75	53.04	38.41	57.48
44	39.65	48.73	43.83	55.98	39.92	58.32
45	41.22	50.13	45.03	59.20	41.53	59.23
46	42.91	51.62	46.33	62.75	43.22	60.21
47	44.70	53.20	47.75	66.71	45.04	61.30
48	46.62	54.87	49.31	71.12	46.98	62.47
49	48.64	56.64	51.01	76.07	49.05	63.77
50	50.82	58.53	52.87	81.66	51.27	65.18
51	53.13	60.56	54.88	88.02	53.63	66.71
52	55.61	62.73	57.03	95.31	56.15	68.40
53	58.25	65.03	59.33	103.77	58.87	70.25
54	61.08	67.49	61.79	113.71	61.75	72.25
55	64.10	70.15	64.47	125.52	64.85	74.47

## It Didn't Touch Us

Reports from our field men indicate that the debacle of the New York Stock Exchange has not put a check upon their production. On the contrary it emphasized the stability of investments in life insurance protection.

Our policies are selling freely, based upon their great merit.

Our expansion campaign extends to Colorado and southwestern states, in which we need more good men, to whom we offer liberal terms.

If interested let us hear from you soon.

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LIFE INSURANCE COMPANY  
HAMMOND, INDIANA

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Chicago.

Please send me The National Underwriter for one year and send bill for \$3.00.

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## THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION

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### The Year in Insurance

The year 1929 can well be called a "spotted" year from the insurance standpoint, viewing the business as a whole. Life insurance shows a fair increase in production. The mortality ratio with a number of companies has increased. The stock market situation both in its ascent and its crash affected life insurance. During the long bull market people became more interested in speculation than they did in purchasing life insurance. Life insurance was too slow. In fact, thousands of people borrowed on their life insurance policies to secure funds to get into the market. Many producing agents became more interested in playing the market than they did in working at their tasks. The minds of the people seemed to swing away from conservatism toward speculation.

Then when the crash came additional thousands were compelled to rush to their life insurance policies to secure further funds to stem the tide. There has been a large amount of special term life insurance written since the bottom fell out of the market in order to bridge the gap and to furnish protection which had been greatly weakened by the sharp decline in security values. Men realized that their estates were worth far less than they were a few months ago. Hence they returned to life insurance to partly assist in restoration. As soon as people become adjusted, undoubtedly life insurance will see an upward swing because the minds of the people are now far more conservative. The laws of the United States limit companies in this country to the most conservative investments. Common stocks are not permitted. The market situation, therefore, did not affect life insurance companies so far as depreciation in assets was concerned.

Many fire and casualty companies, however, have seriously felt the market condition because in numerous cases their investments to a large extent were in stocks that felt the blow. A number of new institutions had been organized largely due to the buoyant condition in the stock market. There was lively trading in insurance stocks and this caused a demand seemingly for more institutions, not to function so much in the underwriting as in the investment

field. The theory prevailed that insurance companies through gathering thousands of premiums created a fund which could be used advantageously in investments that would quickly appreciate. In fact, many companies were able to show tremendous earnings in their banking departments. The so-called trade operations were almost overwhelmed because of the magnitude of the investment side of companies. These newer institutions together with the greater momentum of the old ones created throughout the entire country very sharp competition which tended to force upward acquisition cost.

From an underwriting standpoint fire insurance companies fared quite well in 1929. The loss ratio was normal. There was no devastating tornado, although the farm insurance companies found that scattered storms in different sections levied quite a toll on the exchequer. So far as increasing premiums is concerned but few companies will show a change. In fact, if a company is breaking even it feels that it has done well in the face of greater competition. Underwriters will watch, as seldom they have in the past, the forthcoming financial statements of companies to ascertain the effect of the stock market crash.

Casualty and surety companies have been confronted with about the same conditions as the fire companies so far as competition is concerned. New companies have made a strong bid for business which has tended to increase insurance cost because of the bidding both for agents and business. The aggregate premium income will be considerably larger this year but it will be divided among more companies. There is little change in the underwriting conditions. Workmen's compensation insurance is still written at a loss. With securities at a far lower level, much greater attention will now be given to underwriting. Many companies have taken sharp punishment in the stock market.

To be contented with results of that which requires the least possible thought and physical effort, produces of itself an obstacle hard to overcome.

As soon as you reach the "what's-the-use" stage, you retrograde.

## PERSONAL SIDE OF BUSINESS

Henry Clabaugh, the city tennis champion of Baltimore, and son of Superintendent of Agents Charles C. Clabaugh of the Maryland Life, is now starring in bowling circles. He has been a consistent winner in three tournaments and in special match play this season. He is rated as one of Baltimore's promising young men in the bowling sport.

Ellsworth Regenstein of Newport, Ky., general agent for the Inter-Southern Life and a director of that company for a number of years, was elected state senator for the 25th district in a special election, running on the Republican ticket. Mr. Regenstein has been in life insurance work since 1915. For a number of years he was superintendent of schools in Newport and some years ago was state superintendent of schools of Kentucky.

Charles G. Monser, for many years a member of the firm of Johnston & Monser, general agents of the Mutual Benefit Life at Buffalo, died at Beverly Hills, Cal. He retired, going to California two years ago. He served the company for more than 40 years.

Dr. Donald B. Cragin, medical examiner for the Aetna Life, has been appointed president of the board of health of Hartford.

Robert H. Edmiston, son of General Agent A. R. Edmiston of the Union Central Life at Lincoln, Neb., was married last week to Miss Inez Earl, a junior at the University of Nebraska. Bishop E. V. Shaylor of the Omaha diocese of the Episcopal Church performed the ceremony. The son is connected with the general agency. He is the third generation of Edmistons identified with the Union Central, his grandfather, J. M. Edmiston, having established the Lincoln agency nearly 50 years ago. R. H. Edmiston attended Amherst and for a year was assistant to Manager Frank M. See in the St. Louis agency.

Barney M. Jostad, 57, special agent in Milwaukee for the New York Life, died last week following a heart attack. Mr. Jostad was called "father of probation" in Wisconsin because of his pioneer work in restoring hundreds of first offenders, and because of his particularly successful work with boys. He was the first state probation officer.

E. Lee Trinkle, ex-governor of Virginia and first vice-president of the Shenandoah Life of Roanoke, is to be appointed a member of the new Virginia board of education when Governor-elect Pollard assumes the reins of government the middle of January. Mr. Trinkle served as ex-officio member of the old board when he was governor.

D. H. F. Pottker, for the past four months director of the home office agency of the Peoria Life and for 15 years prior to that production manager of the Metropolitan Life in its Peoria branch, died in a Peoria hospital following a major operation.

Dr. E. G. Simmons, vice-president and general manager of the Pan-American Life, returned to his office from a short agency trip, having visited agencies at Cleveland, Chicago and St. Louis. C. D. Corey, vice-president in charge of the Latin-American department, sailed from New Orleans Dec. 28 on an extended trip to Cuba, Panama and other Latin-American countries.

In an address at the annual banquet of the National Aid Life in Oklahoma City, Governor William J. Holloway of Oklahoma paid tribute to Commissioner Jess G. Read. He said that he had offered Mr. Read several state offices which came under his appointive jurisdiction, some of which were far more lucrative than that of head of the insurance department, but Mr. Read has persistently refused the appointments because he felt it his duty to keep on with the work in which he was engaged. Mr. Read's friends are urging him to be a candidate for reelection next year.

George C. Peery, newly appointed Virginia state corporation commissioner, has insurance and banking included among the subjects assigned him in the realignment of work among the three members of the commission. Commissioner W. M. Fletcher formerly had insurance allotted him. Each new commissioner for the past several years has fallen heir to these two subjects upon becoming a member of the body.

Commissioner Albert S. Caldwell of Tennessee was in Richmond last week spending a day with Col. Joseph Button, former Virginia commissioner, discussing with him some of the details of the office of secretary-treasurer of the National Convention of Commissioners. Mr. Caldwell succeeds Colonel Button in this office.

Herbert H. Burbank of the San Francisco agency of the Phoenix Mutual has made a unique record in his two years of life insurance experience with that office. He has produced at least one application each week and this year, his second full year in the business, he leads the San Francisco agency, has qualified for the President's Year Book and has paid for more than \$250,000 of new business.

Henry Lee Drake, Jr., has been made agency secretary of the Empire Life & Accident of Indianapolis. He has been doing supervisory work in the field. He graduated from the University of Indiana and received his M. B. A. degree at the University of Pennsylvania, where he studied under Dr. S. S. Huebner. He also holds the C. L. U. degree.

On the occasion of his 46th birthday, a banquet was given for Ben I. Rapport, president of the Bankers Credit Life of Birmingham, Ala., by his business associates. Among the guests were G. R. Harsh, general counsel; Frank N. Julian, former insurance commissioner of Alabama and now president of the Bankers Fire & Marine, and Roy R. Cox, sales manager.

Charles D. Williams, Boonville, Ind., general agent of the Mutual Life of New York, has been reelected a member of the Boonville school board.

W. Clyde Jennings, formerly assistant secretary of the All-States Life, Montgomery, Ala., has been made actuary. Before joining that company he was with the Volunteer State Life at Chattanooga.

A. I. Brewster, for several years editor of the "Insurance Almanac and Encyclopedia," published by the "Weekly Underwriter," has joined the staff of the "United States Daily" of Washington, D. C.

#### SPEAKING ABOUT TIME

There's a time to part and a time to meet,  
There's a time to sleep and a time to eat,  
There's a time to work and a time to play,  
There's a time to sing and a time to pray,  
There's a time that's glad and a time that's blue,  
There's a time to plan and a time to do,  
There's a time to grin and to show your grit,  
But there never was a time to quit.  
—Detroit Life.



## LIFE AGENCY CHANGES

### IS RETIRING FROM NEW YORK

#### John A. Stevenson Will Give All His Time to Penn Mutual Home Office Agency

John A. Stevenson will retire Jan. 15 from the management of the New York agency of the Penn Mutual at 150 Broadway.

This action is made necessary because the Philadelphia agency, at the home office, in charge of Mr. Stevenson, has grown territorially, numerically, and in point of volume to such an extent as to occupy all of his time and absorb all of his energies in the work of recruiting, training, and supervising.

The New York agency heretofore in Mr. Stevenson's care will be merged with that of Ralph G. Engelsman. Mr. Engelsman will close his office at 2 Park avenue and remove to 150 Broadway, where he will have facilities for expansion which are not available in the uptown office.

William T. Colborn, Jr., who has been managing the Stevenson office since early in 1929, will remain there until the merger of the two offices has been completed and all departments coordinated. After that he will return to the home office in Philadelphia for reassignment of his duties.

#### Andrew B. Bygert

Andrew B. Bygert has been appointed general agent of the State Mutual Life at Minneapolis following the resignation of Ray A. Lathrop, who is doing personal business. Mr. Bygert has been a resident of Minneapolis for the last five years. He has been connected with the life insurance business for some time. Mr. Lathrop has served the State Mutual as general agent at Minneapolis for a long time and is an experienced insurance man.

#### Frank D. Lombar

Frank D. Lombar has been appointed general agent of the uptown agency of the Connecticut Mutual Life in Philadelphia with headquarters in the 1500 Walnut Street building. He will have charge of Bucks, Montgomery, Philadelphia, Delaware and Chester counties, formerly in charge of Edwin R. White. His initial work in the insurance field was with the Connecticut Mutual in Missouri.

#### R. H. Smith, G. B. Reynolds

The All-States Life of Montgomery, Ala., has appointed Robert H. Smith, formerly state manager of the American National at Jackson, Miss., as regional sales manager at Memphis, Tenn. Since Mr. Smith took charge Dec. 15, the Memphis office has sent in over \$500,000 of business.

The All-States has just entered Georgia about four weeks ago and appointed George B. Reynolds regional sales manager at Valdosta. Mr. Reynolds was formerly with the International Life of St. Louis.

#### Glenn S. Kies

Glenn S. Kies has been appointed state supervisor of the Peoria Life in Cleveland, succeeding Karl G. Gumm, who was state manager. Mr. Kies has been with the Peoria Life at Lansing, Mich., as district manager. He has been with the company for seven years.

#### George Dalinghaus

George Dalinghaus has been made general agent for the New England Mutual Life in Evansville, Ind. He is associated with A. M. Weil & Bros. Company of that city.

### M. JAY REAM TO PITTSBURGH

#### Assistant Superintendent of Agents of the Mutual Benefit Life Takes General Agency

The Mutual Benefit Life has appointed M. Jay Ream, former assistant superintendent of agencies at the home office, as general agent at Pittsburgh to succeed Frank L. Sage, whose resignation concludes 22 years of active service with the Mutual Benefit.

Mr. Ream has had a varied and wide experience in life insurance work. Before he was made assistant superintendent of agencies he was connected with the Mutual Benefit's Detroit agency as a salesman. Preceding his active insurance work, he worked with the bureau of personnel research at Carnegie Institute and its related organization, the School of Insurance Salesmanship.

Mr. Ream came originally from the middle west. He attended Washburn College and the State University of Iowa. Following his graduation from the university he entered the teaching profession in Topeka, Kan.

#### C. G. Mills

C. G. Mills has been appointed agency manager at Dallas, Tex., for the Bankers Life of Iowa. The agency embraces 45 counties in northeast Texas. Mr. Mills has been a leading producer in this agency for 10 years under N. C. Tulloss. Since July 1 Paul W. Root, assistant superintendent of agencies, has been acting manager owing to the prolonged illness of Mr. Tulloss.

#### Bryan L. Bowers

Bryan L. Bowers has been appointed general agent in Oklahoma for the Home Life of New York to succeed John W. Newbern, who resigned because of ill health.

The new general agent has been special agent and one of the big producers of the Oklahoma City agency for six years and in 1927 led the company's agents nationally in personal production. In 1927 and 1928 he was a million dollar producer.

#### L. B. Schellhase

L. B. Schellhase, formerly with the Union Central Life, has been appointed general agent in Cincinnati for the Atlantic Life, succeeding Richard B. Hager, who resigned to become general agent there for the Missouri State Life. Mr. Schellhase has long been a successful producer for the Union Central. The offices of the Atlantic Life are being changed to the Mercantile Library building.

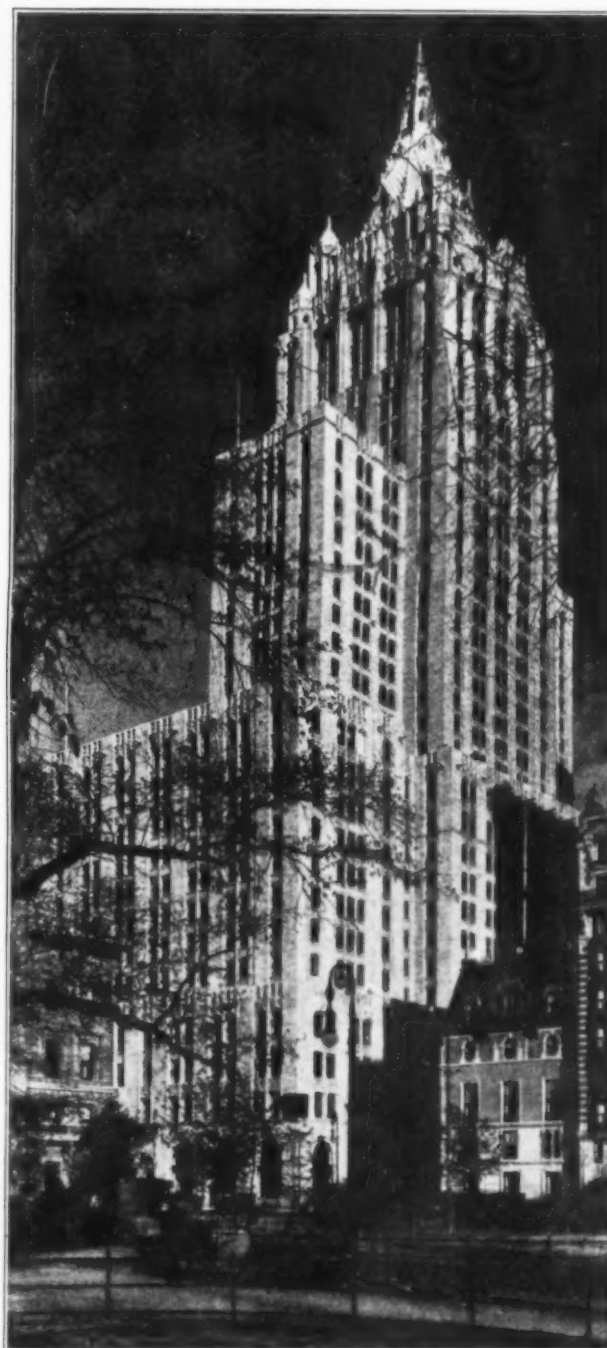
Joseph DuMoe, formerly general agent for the Missouri State at Cincinnati, has moved to St. Louis, where he is in the home office in charge of the salary savings department.

#### Antone Johnson

Antone Johnson, for seven years principal of the Emmetsburg, Ia., schools, who last June entered the insurance field, has been made manager of the Council Bluffs, Ia., district of the Equitable Life of New York with 14 counties in his charge. For the past three months he has been field assistant in the Fort Dodge territory. He succeeds T. J. Ullman and has headquarters in the Bennett building.

#### Freeman J. Durgin

Freeman J. Durgin has been named manager at San Diego, Cal., for the Peoria Life. He has been manager of the Portland agency since July, but his wife's health necessitated his removal to



\$100,000,000,000 of life insurance was in force, at the end of July, 1929, in the legal reserve companies of the United States, numbering about 300. Over \$7,000,000,000, or more than ONE-FOURTEENTH, of this total is in this Company.

NEW YORK LIFE INSURANCE COMPANY

MADISON SQUARE, NEW YORK, N. Y.

DARWIN P. KINGSLEY. . . . President

## WANTED— A MAN!

Possessing the following qualifications:

AGE 35 or over, seasoned and a producer.

THREE years of life insurance experience.

Must be personally acquainted with at least 25 life agents.

## TO HIM— WE OFFER

—The Highest commission for low cost participating insurance.

—The services of an experienced field man, to help him in the field, appointing sub-agents, giving sales helps and to "PUT HIM OVER"

Over \$125,000,000 in Force

We are particularly interested in Illinois, Missouri, North Carolina and Michigan, especially Detroit. Write fully. We will not check references until after interview.

Address N-43, care The National Underwriter

## EIGHTEEN MILLION PLUS ON THE LIVES OF POLICY HOLDERS

January 1, 1929, to July 31, 1929, inclusive

Percentage of Total New Life Insurance..... 25

Total Number Applications on Lives of Policy Holders ..... 3,427

Total New Life Insurance on Policy Holders...\$18,208,394

## BANKERS LIFE COMPANY

GERARD S. NOLLEN, President

Established 1879

DES MOINES, IOWA

## SAFETY PROTECTION SAVINGS



R. S. TIERNAN  
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J. T. MAYALL  
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D. SHARPE  
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A company whose  
ideas are in accord  
with modern times

For Agency Opportunities, Write  
J. T. MAYALL

## AMERICAN SAVINGS LIFE

INSURANCE COMPANY

Board of Trade Building  
KANSAS CITY, MISSOURI

southern California. He was formerly with the John Hancock Mutual in Rhode Island and Massachusetts. In 1919 he joined the Fidelity Mutual Life in its California field.

### Life Agency Notes

McNider & Co. of Mason City, Ia., has been incorporated and its name changed to the Iowa Company. Hanford McNider

is president, and H. V. Bull, vice-president. The offices are in the First National Bank building. Max Kissick is manager of the life department. He was formerly general agent of the Franklin Life at Dallas.

The Atlantic Life has appointed C. A. Ferrill general agent at Columbus, Miss. He will cover considerable outlying territory.

Fred M. Walker, district manager for the Equitable Life of New York at Springfield, Ill., has resigned to devote his attention to personal business interests. His successor has not yet been announced.

## CENTRAL WESTERN STATES

### SHAPE INSURANCE DAY PLANS

Jenkins to Be Luncheon Toastmaster—  
C. A. Ludlum and R. W. Reynolds to Talk

The program of Indiana Insurance Day, to be held in Indianapolis Jan. 21, is shaping up satisfactorily and there will be enough outstanding speakers to assure a worth while offering. The luncheon program is now complete, as announced by the general chairman, James A. Bawden. Atwood Jenkins of Richmond, president of the Indiana Association of Insurance Agents, will be toastmaster. R. P. De Van of Charleston, W. Va., past president of the National Association of Insurance Agents, and W. W. Klingman of Minneapolis, vice-president of the Equitable Life of New York, will be the principal speakers.

### Federation Holds Annual Meeting

The luncheon will be followed by the annual meeting of the Insurance Federation of Indiana and these two sessions will be timed to close by 2 o'clock so that those in attendance will have opportunity to visit local offices and otherwise spend the time until the evening banquet in sociability and relaxation.

There will be a life insurance sales congress in the morning and simultaneously a fire and casualty sales and business management session. Among those who will address the latter session are C. A. Ludlum, vice-president of the Home, and Reginald W. Reynolds, manager of the accident and

health department of the Federal Surety of Davenport.

### Makes Three Appointments

Three appointments are announced by Alexander E. Patterson, general agent of the Penn Mutual in Chicago. Joseph T. Van Meter has been appointed special supervisor with headquarters in Chicago. He has been one of the agency's large producers for some years.

George H. Perry is appointed field assistant at Benton, Ill., and Robert G. Probst, field assistant at Pana, Ill. Both men previously have been personal producers in the Patterson agency.

### Triggs Takes New Post

Leon A. Triggs has taken his new position as general agent of the Berkshire Life in Chicago, Robert F. Palmer, the former manager, becoming associate general agent. Mr. Triggs received his early training under Mr. Palmer and left Chicago 12 years ago. He has been manager of the Minnesota agencies of the Berkshire, building successful agencies in Minneapolis and St. Paul. Mr. Palmer celebrated his 30th anniversary with the company in November.

### Take Health Precautions

Preventive hygiene was outlined to the 230 employees of the home office of the State Life of Indianapolis by Charles F. Coffin, president, following the death in one week of 31 persons in Indianapolis of spinal meningitis. The workers were cautioned to avoid crowds as much as possible and to keep in good physical condition.

## IN THE MISSOURI VALLEY

### AGENCY OFFICERS ORGANIZE

Department Heads of Kansas City Life Companies to Discuss Problems of Supervision

KANSAS CITY, MO., Jan. 2.—An organization of life agency officers has been formed here. It includes the heads of the agency departments and their assistants, educational directors, etc., of the Business Men's Assurance, National Fidelity Life, Midland Life and Kansas City Life. Bert Hedges, educational director of the B.M.A., is at present in charge of the organization.

A series of meetings and programs have been arranged for 1930. The first few will be devoted to the general subject of supervision of first-year men. The general object of the meetings will be the discussion of sales problems and, particularly for the first few months, the handling of new men. Life companies are very anxious to find some method of reducing the high number of failures of men in their first year.

The January meeting will be given over to a discussion of various problems dealing with the insurance salesman's first 30 days' experience. Walter Cluff, educational director of the Kansas City Life, will have charge of the discussion on rate book knowledge;

Jack Neil, educational director for the National Fidelity, will head the discussion on personal supervision. Finances and credit will also be discussed. Mr. Hedges will act as chairman for the first meeting.

### WICHITA LIFE ABOUT READY

New Kansas Company Starts Writing  
Feb. 1—J. R. Anspaugh, President,  
Experienced Life Man

WICHITA, KAN., Jan. 2.—The Wichita Life, which expects to be ready to begin writing business Feb. 1, has opened offices at 321 Central building with J. R. Anspaugh, president, and Mrs. Della Sterrett, assistant secretary, in active charge of organization details.

5 years from now—every Underwriter will have it. Today—it gets immediate entree and sells business.

### LIFE INSURANCE AS A PROPERTY INVESTMENT

The only place to get the whole idea and the correct selling methods that go with it is in "The Essentials of Life Underwriting" by Abner Thorp, Jr.

The Diamond Life Bulletins, 420 East Fourth Street, Cincinnati, Ohio

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Walter L. Payne, secretary, died suddenly two weeks ago and his successor will be elected at a meeting of directors scheduled for Jan. 7. Glen G. Moffett is first vice-president and A. A. Doerr, prominent business man and politician of Larned, second vice-president. Directors are George McGill and Harry C. Castor of Wichita, Fritz C. Jorgensen of Mt. Hope, Forest M. Luther of Cimarron and J. C. Cadwalader of Bellevue.

The company will start business with capital and surplus of \$175,000 and will write a full line of life contracts, business being confined to Kansas for the present.

President Anspaugh has been identified with life insurance and banking interests of the state for a number of years. He was secretary of the National Reserve Life of Topeka and also agency director of the Liberty Life of that city,

as well as serving as actuary and in other capacities for other companies. While in the banking business he served at different times as president and secretary of the Kansas Bankers Association. Mrs. Sterrett was also formerly connected with Topeka life companies and is well qualified for her duties with the new company.

#### Old Line Warns of Impostor

Attorney General Sorensen of Nebraska has been asked by the Old Line Life of Milwaukee to warn prosecutors in his state that Leon V. Stiles, who has been pretending to represent it in Nebraska, is not an authorized agent, and that the company is not entered in that state. Complaints had been made to the company that Stiles had been collecting money as its representative.

force. This was announced by H. B. Houghton, president, at the annual convention dinner which concluded a two-day agency meeting attended by more than 150 agents from Oklahoma, Texas and Kansas. Commissioner Jess G. Read and A. J. Roark, secretary of the state insurance board, were present.

#### C. L. U. Class Adds to Staff

L. Barrett Jones, assistant general counsel of the Lamar Life, has been appointed legal instructor of the C. L. U. class holding weekly meetings at Jackson, Miss. E. H. Hix, general agent of the Mutual Benefit Life, is president of the class and A. E. Babbitt, actuary of the Lamar Life, is educational director.

#### Leaves \$187,000 to His Banks

Life insurance totalling \$187,000 was left by the late A. H. McCauley, banker of Sapulpa, Okla., payable to his chain of 12 banks, according to C. G. Shull, state bank commissioner. The largest beneficiary was the Sapulpa State Bank with policies totalling \$102,000. He also left \$40,000 life insurance to his widow.

#### Love Agency Completes Quota

The S. B. Love agency of the Mutual Life of New York at Richmond, Va., completed its paid-for quota of \$3,556,884 for 1929 more than a month ago. Clarke E. Lindsay, district manager at Charlottesville, Va., for this agency, has the distinction of being the first to qualify for the 1930 \$250,000 field club. J. B. Hutcheson, district manager at Roanoke, was a close second.

charged with the responsibility of getting speakers before luncheon clubs, etc.; another in charge of radio and newspaper publicity and a third which he calls the "one-day record" committee. This committee is to have charge of a plan evolved by Mr. Taylor whereby it is hoped to have every producer in San Francisco write at least one application on Life Insurance Day. The publicity committee is to cooperate with trust companies as a part of its activities.

#### License 66 Carriers in 1929

Sixty-six carriers from other states have been licensed in California the past year, according to Commissioner Mitchell, of which 31 were fire, 16 casualty, seven life, 11 mutual life and benefit associations and one fraternal. Twenty-one applications are before the department.

#### Lincoln Goes With Nelles

Buford G. Lincoln, formerly field supervisor for the Aetna Life in southern California, is now handling brokerage business for the Prudential, having associated himself with H. B. Nelles, manager for southern California, with headquarters in Los Angeles.

#### California State Leaves Wyoming

The California State Life, according to Commissioner Thulemeyer, is withdrawing from Wyoming as of Dec. 31. The reason given is the company's inability to secure proper and efficient agency representation.

#### Chambers Joins Penn Mutual

John Chambers, well known Denver life insurance man, has been appointed manager of the service department of the Penn Mutual for mountain territory. The appointment is announced by Frank H. Davis, general agent.

After landing in New York from Ireland Oct. 13, 1913, just 13 days after he was married, with only \$13 in his pocket, he set out to find a position and found it in short order with the New York office of the Provident Mutual. Ten years ago he went to Denver with that company and has developed into one of the big producers in the mountain field.

#### Jefferson Standard Coast Appointments

The Jefferson Standard Life has appointed F. F. Small agency manager for Los Angeles county, Cal. Mr. Small has been special agent for the Capital Fire covering its southern California and Nevada territory for the past two years, but was formerly general agent for Nevada for the West Coast Life.

James H. Sewall has been made agency supervisor for Orange, San Diego, Riverside and San Bernardino counties. He was formerly with the New York Life in Berkeley and Orange county. William W. Holshauser has been appointed agency manager at Oakland. He has been with the Oakland agency of the Equitable Life of New York for ten years.

#### Watts with Mountain States

George H. Watts has joined C. H. A. Palmer, general agent of the Mountain States Life at San Bernardino. The firm will conduct its business under the name of Palmer-Watts. Mr. Watts has been in life insurance for a number of years. He formerly represented the Merchants Life. His brother is W. A. Watts, who was formerly president of that company. G. H. Watts had charge of the Merchants Life business in California for some time.

#### Has 135 Percent of Quota

The San Francisco office of the Phoenix Mutual Life has produced 135 percent of its 1929 quota, according to Manager C. W. Peterson. Three men associated with the agency, Herbert H. Burbank, Roy H. Livermore and El-

## IN THE SOUTH AND SOUTHWEST

### SETTLEMENT HELD BINDING

#### Duly Authorized Attorney Had Full Power to Represent the Beneficiary in Claim Dispute

In Edge vs. Business Men's Assurance, court of civil appeals of Texas, 15 S.W. (2d) 44, the plaintiff, as beneficiary under a policy issued to her daughter, brought action for a balance alleged to be due. The policy was for \$3,000, and the defendant set up that it had paid plaintiff \$1,000 in full settlement.

Plaintiff, however, contended that this settlement was brought about by the misrepresentation of the defendant's adjuster in that the latter represented that plaintiff would have to go to Missouri if she sued on the policy. The evidence tended to show that plaintiff was not deceived by any representation made by the defendant's adjuster; that she employed an attorney who settled the claim for \$1,000. Judgment for defendant was rendered in the trial court. On appeal the higher court in affirming this judgment, said:

#### Judgment Stands

"But should [the adjuster] statement be construed to mean that he represented that appellee had no permit to do business in Texas and had no agent upon whom process might be served, still the undisputed evidence shows that she did not rely upon such statement. It is undisputed that appellant refused [adjuster] offer to settle for \$750, and told him she would consult a lawyer, which she did.

"Virgil Hart, now deceased, an attorney, was employed and he took the matter of settlement up directly with appellee by letter. Appellee replied denying liability on the ground that Myrtle Ellis was intentionally killed by her husband. Appellant's attorney replied that they could establish without difficulty that Jack Ellis was insane at the time he killed the insured, which would prove our case under the Texas laws, which of course will govern in this case; and offered to settle for \$1,000, which offer was accepted.

"The settlement contract recited the bona fide denial of liability, and was signed by both appellant and her attorney; and appellant indorsed and cashed the voucher which was made payable to her. These transactions took place several months after appellee's adjuster made the representations complained of, which the adjuster denied. . . . The judgment will be affirmed in all things. Affirmed."

#### Nolley Agency Writes Five Million

The W. Tolar Nolley agency of the Northwestern Mutual Life at Richmond which covers practically all of Virginia paid for approximately \$5,000,-

000 in 1929. This was 25 percent in excess of production the previous year. It was one of five agencies of the company that exceeded its quota each month of the past year. Irving J. Held of Richmond has been the agency's leading producer for the past 10 years.

#### Has \$55,000,000 in Force

The National Aid Life of Oklahoma City, which started eight years ago, now has \$55,000,000 paid-for business in

## PACIFIC COAST AND MOUNTAIN

### NEW RULES FOR LIFE AGENTS

#### Commissioner Thulemeyer of Wyoming Seeks More Strict Observance of Ethics of Profession

CHEYENNE, WYO., Jan. 2.—To increase the observance of the ethics provided for life insurance agents by Wyoming statute, Commissioner Theodore Thulemeyer has announced a set of rules which will hereafter appear on the reverse of all licenses issued to life agents. In making his announcement the commissioner stated as his opinion that Wyoming is the first state to take this step. The rules are:

1. Neither verbal nor written statement concerning any insurance company may be made which is defamatory or which contains any false assertion or malicious misstatement of fact.

2. No agent may give anything of value as an inducement to a sale of a life insurance policy, or rebate any part of the premium and all notes for first year's premiums must bear not less than 6 percent interest from the date of issue of note until paid.

3. No agent may misrepresent the terms of any policy contract nor make an incomplete comparison for the purpose of misinformation nor estimate future dividends.

4. Twisting is any act which causes the cancellation of a policy of life insurance in one company and its consequent replacement in another company. Twisting is prohibited.

5. Competition is to cease when a settlement is taken and examination is completed.

6. All moneys or other valuable considerations given by an applicant for life insurance must be treated by the agent as trust funds for the purpose stated in the application and must not be disposed of nor hypothecated until the policy applied for is issued and delivered.

A violation of the above rules may, at the discretion of the commissioner, lead to a revocation of license.

### GENERAL AGENT FOR TACOMA

#### Aetna Life Appoints P. M. Snider to Take Charge of New Jurisdiction in Washington

A new general agency for the Aetna Life has been opened at Tacoma, Wash., as announced by Vice-president K. A. Luther. Perl M. Snider, previously an agent with the Aetna Life at Seattle, has been appointed general agent for the new territory.

Mr. Snider has been in the insurance business for the past four years, though only part time up to a year ago, when he became a full time agent with the Aetna Life. Previous to this he was active in banking, in which he was engaged for the past 25 years. His early manhood was spent in Nebraska. At the age of 24 he moved to Washington, where he has lived since and where he has ever since been active in various bank activities. At the time he entered the insurance business on a full time basis he was an official in the Citizens State Bank of Puyallup, Wash.

#### Gets Out New Book

James Hamilton Blagge of Los Angeles, agency supervisor for the Hamilton National Life of that city, has gotten out a new book entitled "The Man Misunderstood." The book is the result of Mr. Blagge's own experience in the field. It is an inspirational book for life insurance field men. It will increase the self-respect and efficiency of the agents.

#### Make Thrift Week Plans

Elaborate plans are being made by James L. Taylor, manager of the Penn Mutual Life in San Francisco, for the observance of life insurance day of thrift week. Mr. Taylor has been appointed chairman in charge of the thrift week committee of the San Francisco Life Underwriters Association.

Mr. Taylor has divided his sub-committees into three groups, one being

bridge G. Watkins, have completed the year with an unbroken record of consecutive listing on the weekly honor roll. As a result of the growth of the agency, plans are under way for the expansion of the company's local office.

#### Hammond Opens Branch

Wilmer M. Hammond, general agent

at Los Angeles for the Aetna Life, has opened a branch office at Long Beach in the Farmers & Merchants Bank building in charge of Dwight R. Brooks, assistant general agent, who has been a member of the Los Angeles agency staff since 1925. The Long Beach office will cover the territory of Long Beach, Wilmington and San Pedro.

## NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual Digest" and "Little Gem." Published Annually in May and April respectively. PRICE, \$4.00 and \$2.00 respectively.

### NEW RATE BOOK ISSUED

National Fidelity Life Revises Disability Schedule—Issues New Endowment at 50 Juvenile Policy

KANSAS CITY, MO., Jan. 2.—The National Fidelity Life has changed its rates above age 35 on the 20-payment commercial plan in its new rate book. The disability rates have been increased at all ages and on all plans in order to permit adoption of the 90-day presumptive clause.

Several changes relative to total and permanent disability on both male and female, married and single risks have been made. The income disability is half of 1 percent of the face of the policy and the amount has been increased to \$15,000. Waiver of premium can now be included in all policies. The amount on married women has been increased to \$5,000. Farm laborers will not be eligible for the new income disability provision. This does not include farm owners or the better type of tenant farmers who may be written as formerly.

The National Fidelity Life has issued a new juvenile policy, a 20-payment endowment at 50 with guaranteed endowment additions. The policy contract provides a regular premium payable the first year with option of either continuing the original premium and securing additional endowment insurance each year or receiving a guaranteed reduction in premium after the first year.

The annual rates on the new policy follow:

Age	First Year Prem.	Re-duced Prem.	Age	First Year Prem.	Re-duced Prem.
0.....	\$30.52	\$23.23	8.....	\$32.55	\$24.19
1.....	30.77	23.43	9.....	33.20	24.65
2.....	30.88	23.45	10.....	33.89	25.14
3.....	31.00	23.45	11.....	34.62	25.66
4.....	31.20	23.52	12.....	35.38	26.20
5.....	31.37	23.52	13.....	36.16	26.75
6.....	31.52	23.52	14.....	36.99	27.35
7.....	31.95	23.78			

#### United Fidelity

The United Fidelity Life of Dallas, Tex., has adopted a new 20-pay endowment at 65 policy, and also has revised its rates for ordinary life and 20-pay life select risks. The new rates follow:

Age	Ord. Select	20-Pay Select	End. at 65
25.....	\$15.48	\$23.68	\$26.87
35.....	20.55	28.89	34.55
45.....	29.51	37.09	47.93

#### Northwestern Mutual

The Northwestern Mutual Life has revised its disability waiver of premium agreement to comply with the standard provisions adopted by the National Convention of Insurance Commissioners at Toronto. The new form now in use has the following rates:

Age	Ord. Life	20-Pay at 65	End. at 65
25.....	\$0.60	\$0.48	\$0.63
35.....	.91	.74	.96
45.....	1.57	1.51	1.78

#### Baltimore Life

The Baltimore Life has adopted a double indemnity feature covering up to age 65 for death occurring within 90 days of injury.

### MINOR CHANGES IN SCHEDULE

Equitable Life of New York Announces 1930 Dividends—Excess Interest Rate 1.75 Percent

The Equitable Life of New York has announced its new dividend schedule for 1930. There are only a few minor changes in the schedule. The comparison of the present and the new schedule at age 35 on the principal policies follows:

Year	Age 35				
	Ordinary 1929	Ordinary 1930	20-P. Life 1929	20-P. Life 1930	20-Yr. End. 1930
2.....	8.29	8.03	9.35	9.04	10.27
3.....	8.54	8.29	9.76	9.45	10.89
4.....	8.80	8.54	10.19	9.88	11.55
5.....	18.91	18.83	21.59	21.46	24.04
6.....	9.26	9.00	11.00	10.69	12.84
7.....	9.45	9.26	11.39	11.14	13.50
8.....	9.66	9.50	11.79	11.61	14.18
9.....	9.87	9.77	12.22	12.10	14.89
10.....	10.10	10.04	12.67	12.61	15.66
11.....	10.33	10.33	13.14	13.14	16.45
12.....	10.57	10.62	13.63	13.69	17.29
13.....	10.82	10.92	14.14	14.26	18.16
14.....	11.08	11.23	14.67	14.86	19.08
15.....	11.34	11.55	15.23	15.48	20.04
16.....	11.61	11.87	15.81	16.13	21.05
17.....	11.86	12.11	16.39	16.70	22.08
18.....	12.09	12.35	16.98	17.29	23.16
19.....	12.33	12.59	17.60	17.91	24.32
20.....	12.55	12.81	18.25	18.56	25.53

The Equitable has discontinued its special refund annuities. It also announces that an excess interest rate of 1.75 per cent per annum will be used for 1930 for dividends left to accumulate at interest, and for participating settlements of policy proceeds under which an interest rate of 3 percent is guaranteed, except that for certificates of deposit on which interest is payable fractionally the excess interest dividend will be at the rate of 1.65 percent.

#### Penn Mutual

The Penn Mutual has issued a new life income with death benefit contract which is similar to the company's cash refund annuity except that for each \$1,000 consideration \$500 is payable to any designated beneficiary at death of annuitant regardless of age or time when death occurs. Annual annuity purchased by \$1,000 at ages 25, 35 and 45 are: Men, \$39.37, \$41.98 and \$46.26, respectively, and women, \$38.70, \$40.88 and \$44.42.

#### New Prudential District

A new district will be established at Lewistown, Pa., by the Prudential. It will be made up of the three assistant superintendencies now operated from Lewistown, together with the assistant superintendency at Huntingdon, comprising a staff of four assistants and 39 agents.

To compensate Superintendent Woods B. Irvin of the Altoona, Pa., No. 1 district, from whose supervision these assistant superintendencies will be transferred, it is intended to add to Altoona No. 1 the Philipsburg assistant of the Dubois district, and the Tyrone assistant of the Altoona No. 2 district. The Altoona No. 1 district will then comprise eight assistant superintendencies, five of them detached, and 58 agents, 35 of them scoring under detached assistants. Donald H. Foucart will be in charge of the Lewistown district, going there from his present post of superintendent at Beaver Falls. John C. Fulton will succeed as superintendent of Beaver Falls.

## ACCIDENT AND HEALTH FIELD

### AWARDED \$52,750 ADDITIONAL

Dr. W. S. McCarthy Gets Verdict for 211 Weeks Extra Indemnity Under Accident Policy

DES MOINES, Jan. 2.—A jury in federal court here awarded Dr. Wilton S. McCarthy judgment for \$52,750 against the United States Fidelity & Guaranty, for 211 weeks' unpaid indemnity on an accident policy at \$250 a week, with interest from the first week. The verdict ended a retrial of his suit against the company for \$58,350, based on his claim that he is totally disabled as a surgeon as the result of a fall seven years ago.

When the case was first tried in federal court here, Dr. McCarthy won a directed verdict for \$32,641. The company appealed. The United States court of appeals at St. Louis remanded the case to Des Moines for retrial, ruling that a jury should decide the point at issue. When the jury retired for deliberation, Judge Dewey instructed it to determine whether Dr. McCarthy "can or can not perform any of the material and substantial tasks of a surgeon." The jury was instructed that in case of a negative answer to that question it was to determine how long since October, 1925, the surgeon became totally disabled. He was paid by the insurance company to that date.

Dr. McCarthy was injured seven years ago when he fell on an icy Des Moines sidewalk while carrying a glass jar of candy and severed a nerve in his right wrist. At that time, it is said, he was earning \$60,000 a year as a surgeon. Among defense witnesses who testified that Dr. McCarthy could still perform some surgical tasks were Dr. A. E. Genter of Sheboygan, Wis., who has but one useful arm; Dr. J. Landry of New Orleans, who has lost a thumb and finger, and Dr. Thomas Bond of Des Moines, whose shoulder and arm are impaired.

### GIVES PROCEEDS TO FIANCEE

Cincinnati Court Rules Policyholder Had Right to Name Girl Rather Than Father

The proceeds of an accident policy in the Interstate Business Men's Accident of Des Moines are to be paid to an unmarried woman, fiancée of the dead policyholder, rather than to the insured's father, as result of decision by Judge Struble in common pleas court at Cincinnati on a question of insurable interest. Miss Nora M. Boles of Mount Airy, O., is the one to whom the \$5,000 proceeds will go. The policy was taken by Joseph A. Steiner, Jr., a cement block manufacturer of Mount Healthy, O. The wedding had been set for November, but in April, 1929, Steiner was killed in an automobile accident near Hamilton, O.

The Interstate Business Men's refused to pay the money to Miss Boles because Joseph A. Steiner, Sr., the father and administrator, claimed the insurance. Instead the company filed an interpleader action, admitting liability, but declaring inability to determine the beneficiary, and paying the money into court. The father contended that the fiancée did not have an insurable interest and the money should go to the estate. Judge Struble said no such question was involved, but even if it were, the dead man took out the policy on his own life and made the young woman his beneficiary and there was no question but that he had an insurable interest in his own life. The judge complimented the dead man for making provision for his intended wife.

### FLORIDA TO REQUIRE RIDERS

Drastic Provisions Must Be Included in All Weekly or Monthly Accident and Health Policies

The Florida department, which recently announced that all companies writing monthly or weekly payment accident and health insurance must file with it by Jan. 1 all policy forms which they propose to issue in that state, and that no policies could be issued after that date without approval by the commissioner, has given an indication of the sort of requirements it plans to propose, many of which will undoubtedly be objectionable to the companies by sending out this list of provisions, which must either be printed on each policy or attached to it as a rider, pending the examination and approval of the forms submitted:

All provisions in this policy with reference to the time in which suit may be instituted under same, insofar as they may conflict with the statute of limitations of the state of Florida, shall be null and void.

All provisions of this policy limiting or avoiding liability shall be construed strictly against the company, and liberally in favor of the insured. If there are any conflicting clauses in the policy, the one which affords the most protection to the insured shall control.

In the event the company shall determine to insist on a forfeiture clause of this policy, it will so inform the assured as soon as practicable after it ascertains the facts upon which it shall base its claim of forfeiture; and failure to do so shall be deemed a waiver of the forfeiture clause.

All statements made by the applicant in his (or her) application for insurance upon which this policy is issued shall be deemed representations only and not warranties and shall not void this policy, in the absence of fraud.

The foregoing provisions and conditions are hereby made a part of the policy in which they are printed or to which they are attached and all parts of said policy or the application upon which it is issued which are in conflict herewith are hereby declared null and void.

It is further required that the word "void" shall be written, printed or stamped across any paragraph or clause in any of the policies required to be filed for the approval of the department which purport to constitute such policy a "paid up policy" at the end of ten years or any other specified period of time conditioned upon such policy being kept in continuous force, or without delinquency, during such period.

Opportunity will be given for a hearing where any companies express their opposition to these provisions.

### Practice Condemned, But Not Illegal

LOUISVILLE, Jan. 2.—The Kentucky court of appeals upholds a decision of the Jefferson circuit court, which had previously held that there was nothing illegal in the activities of officials of the Domestic Life & Accident, Negro company of Louisville, in formation of a finance company for buying and selling stock of the insurance company, although both courts condemned the practice.

### Law Violation Clause Upheld

TOPEKA, KAN., Jan. 2.—The Kansas supreme court has upheld the law violation clause on an accident policy. Mrs. Fern Lamb sued the Liberty Life of Topeka on a policy held by her husband. Lamb was a motor car tester and service man in a garage. He took a car out to test it and while driving at high speed crashed into another car at a crossing. Lamb was killed and the car was wrecked.

The Liberty Life refused to pay the claim because it claimed Lamb was violating the law when killed and the policy contained a provision that it

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### WILL

Modern Sup

The I asked to involving Woodme been file February mandated t Cook cou injunction from put When Chicago t ing to th want of members

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THE E SURA

This book de truly called the insurance Underwriter,



should be ineffective if death ensued while the holder was violating the law. The supreme court sustained the action of the company.

#### Pringle Goes to Coast

Charles A. Pringle, for the past three years field supervisor for the accident department of the Southern Surety, working mainly in the central west, has been transferred to the Pacific Coast, where he will work in a similar capacity out of the new Pacific head office, under the direction of Fred D. Sperry, manager of the accident department of that office. He will devote his entire time to the development of accident and health business in the west coast territory.

#### Reinsurance Effective Dec. 31

The Mountain States Life has reinsured the business of the Western Casualty of Denver as of Dec. 31. The Mountain

States had previously acquired stock control of the Western Casualty. A Denver branch will be maintained in the former home office quarters of the Western Casualty.

#### Liable for Venereal Disease Claim

TALLAHASSEE, FLA., Jan. 2.—Holding that venereal disease does not necessarily result from immoral conduct the Florida department has ruled that an insurance company carrying industrial sick benefit insurance on a married woman is liable for the claim, despite a Wassermann test which is said to have been positive, and despite a clause in the policy absolving the company of liability for sickness resulting from immoral conduct.

The company in question has just reported to the department that it is instructing that the claim be paid, although heretofore it had disclaimed liability.

## NEWS OF THE FRATERNALS

### WILL ASK FOR REHEARING

#### Modern Woodmen Applies to Illinois Supreme Court on Its Rate Increase Case

The Illinois supreme court will be asked to grant a rehearing in the case involving increased rate by the Modern Woodmen. Notice of rehearing has been filed. The case will come up in February. The state supreme court remanded the case to the circuit court of Cook county with direction to grant the injunction, prayed, restraining officers from putting the new rates into effect. When the case was heard originally in Chicago the petition of members objecting to the new rates was dismissed for want of equity. The attorneys for the members appealed.

#### Juvenile Division Grows

The St. Louis advisory council of the Catholic Knights of America reports that its juvenile insurance division established several months ago has already placed insurance on 300 children in Missouri. Henry Siemer, secretary of the state council, said that the assets of the state body now exceed \$2,000,000.

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This book deals with what might possibly be more truly called the economic benefits and advances that life insurance gives. Order from The National Underwriter, A1946 Insurance Exchange, Chicago.

### JUDGE REBUKES FRATERNALS

#### Stinging Comment in W. O. W. Case on "Cowardice" in Avoiding Assessments When Needed

By CYRUS K. DREW

DENVER, Jan. 2.—Assessmentism in life insurance service received a severe rebuke in the court ruling at Denver affecting proposed changes in the Woodmen of the World, Pacific jurisdiction. Because of faulty records when the head camp voted to change the society to a legal-reserve basis, the court ruled that the change had been illegal, and so the action will be carried to the Colorado supreme court.

In the course of his review of the case Judge Dunklee delivered a scathing denunciation of official cowardice in fraternal management that "side-stepped the privilege and opportunity of assessing members when emergency funds were required," and uttered a dictum of fact which should be broadcast by legal reserve agents in revealing the dominant fault with all assessment management—the lack of "guts" to now and then assess all members to try to shorten the lengthening deficiency in premiums.

#### Judge's Sharp Criticism

Judge Dunklee went to the very heart of the matter. He quoted the fundamental principles of the fraternal-assessment system, as provided through the constitution of the W. O. W., granting the right to the management to raise funds by added assessments on the entire membership when required. He pointed out that the officers failed to follow the mandates of the constitution; that instead of assessing members as they should have done on two occasions they withdrew nearly \$500,000 of funds from the guaranty fund to meet excessive death claims. This act, he said, was a deliberate violation of the society's governing rules, the very lifeblood of its existence as an assessment order.

The judge goes on to make the pertinent observation that had the management done what it should have done in this emergency the funds required could have been produced by only two extra assessments of the same amount as the regular monthly assessment, spread over the membership of record at that time, and that such a course would have produced a tidy surplus beyond what was needed.

#### Strikes at Heart of Problem

The pertinent application of that sound reasoning is of special interest because it goes to the heart of the entire system of assessmentism by disclosing that cowardice in management is the greatest liability these concerns face. Harping on the heresy of "cheap insurance," the management shrinks



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from enforcing any added costs on the assured during normal times and when abnormal demands arise they dodge the issue and evade the opportunity. In spite of always parading and bombastically ballyhooing the value of "reserves in the pockets of members available instantly on demand," they pollute the principles of their system by devious designs to escape doing what the assessment system was organized to do and without doing which it cannot hope to survive as such.

Judge Dunklee, in his ruling, gives the impression that he is a believer in the assessment principles of life insurance service only when they are properly applied and enforced.

### Discussion Is Academic

Inasmuch as no assessment concern—certainly no fraternal society—has ever applied to its entire membership the rule the learned judge lays down—namely, to spread easily through the early advancing years of membership by additional assessments now and then to overcome the growing deficiency in premium charges—the judge's remarks may be regarded as highly academic, though none the less sensible and sound.

It behooves the trade to properly acquaint its clientele with the fact that inoperative assessmentism is as a shifting sand foundation, no more dependable or worthy of refuge in time of need; that to achieve what was intended by the founders of fraternalism, present day management must endeavor before it is too late to correct the shortage in their charges and that such shortage must be spread equitably over the entire membership as the years advance. Otherwise disaster surely will overtake the institution, and its only hope will then be a complete shift to stiff increases in charges for those who can pay.

This would leave to thousands of others unable to pay only vain regrets and resentment at a system of life insurance service that deprives them of protection when they most need it.

### RATES OF MODERN WOODMEN

Confusion Over New Plans, Form A  
Adopted in 1919 Continued  
—Three New Ones

There has been some confusion over the new Modern Woodmen rates. The fraternal now offers four forms. The first one, ordinary A, was adopted July 1, 1919, having no paid-up or extended values. All those entering the society after that date, which amount to about 36 percent of the present members, have been issued that form. In June, 1929, three new forms were issued. Members joining prior to July 1, 1919, can transfer the original certificates for any of the four forms at attained ages. Members holding form A can convert it into either one of the other three. Forms B, C, and D provide for paid up and extended insurance and automatic assessment loans after three years and a cash withdrawal option at age 70. The monthly rates for the four forms and the paid up and cash values for the three new ones follow:

Age	Whole Life, \$1,000			
	Ord. Form A	Ord. Form B	30-Yr. Pay Form C	20-Yr. Pay Form D
17	\$0.75	\$0.85	\$1.00	\$1.25
18	.75	.90	1.05	1.30
19	.80	.90	1.10	1.35
20	.85	.95	1.15	1.40
21	.90	.95	1.20	1.45
22	.90	1.00	1.25	1.50
23	.95	1.00	1.30	1.55
24	.95	1.05	1.35	1.60
25	1.00	1.05	1.40	1.65
26	1.00	1.10	1.45	1.70
27	1.05	1.15	1.50	1.75
28	1.05	1.20	1.55	1.80
29	1.10	1.20	1.60	1.85
30	1.15	1.25	1.65	1.90
31	1.20	1.30	1.70	1.95
32	1.20	1.35	1.75	2.00
33	1.25	1.40	1.80	2.05
34	1.30	1.45	1.85	2.10
35	1.35	1.50	1.90	2.15

Age	Special 30-Yr. 20-Yr.			
	Ord. Form A	Ord. Form B	Pay Form C	Pay Form D
36	1.40	1.55	1.95	2.20
37	1.45	1.60	2.00	2.25
38	1.55	1.65	2.05	2.30
39	1.60	1.75	2.10	2.35
40	1.65	1.80	2.15	2.40
41	1.70	1.90	2.20	2.45
42	1.80	2.00	2.25	2.55
43	1.85	2.10	2.30	2.65
44	1.90	2.20	2.40	2.75
45	2.00	2.30	2.50	2.85
46	2.10	2.40	2.60	2.95
47	2.25	2.50	2.70	3.05
48	2.40	2.65	2.80	3.15
49	2.55	2.70	2.90	3.30
50	2.70	2.90	3.00	3.45
51	2.85	3.05	3.15	3.60
52	3.00	3.20	3.30	3.75
53	3.15	3.40	3.45	3.90
54	3.30	3.55	3.60	4.05
55	3.45	3.75	3.80	4.20
56	3.60	3.95	4.00	4.35
57	3.80	4.20	4.30	4.50
58	4.00	4.60	4.65	4.65
59	4.25	4.65	4.75	4.80
60	4.50	4.90	4.95	4.95

### Paid-up Values and Cash Withdrawal Option Special Whole Life—Form B

Age	25	30	35	40	50	60
Paid-up Value:						
Yr. 5...	\$54	\$62	\$72	\$81	\$97	\$114
10...	99	113	130	145	171	200
15...	215	244	273	298	345	394
20...	336	374	408	440	499	556
25...	451	492	529	563	628	688
Cash at Age 70...	593	578	559	533	451	296

### 20-Payment Life—Form D

Age	25	30	35	40	50	60
Paid-up Value:						
Yr. 5...	\$91	\$97	\$103	\$109	\$113	\$116
10...	169	179	189	198	205	214
15...	380	399	415	430	449	454
20...	614	636	652	664	678	673
25...	1,000	1,000	1,000	1,000	1,000	1,000
Cash at Age 70...	675	675	675	675	675	342

### 30-Payment Life—Form C

Age	25	30	35	40	50	60
Paid-up Value:						
Yr. 5...	\$68	\$74	\$80	\$86	\$95	...
10...	125	134	145	155	169	...
15...	272	291	308	320	352	...
20...	427	449	469	487	518	...
25...	585	605	623	639	662	...
Cash at Age 70...	675	675	675	675	485	...

## ASSOCIATIONS

**New Brunswick.**—The annual meeting of the New Brunswick association was held at St. John with Lieut. Col. Geo. Keefe as chairman, and the following officers were elected: President, O. J. A. Barter; first vice-president, B. L. Cleveland; secretary, Elmer Puddington; executive committee, Harry Truss, J. P. Coughlin, Roy Shanklin and M. L. McPhail.

**Windsor, Can.**—At the annual meeting of the Windsor association the following officers were elected: President, S. Leo Charlton; first vice-president, J. Grozelle; second vice-president, William Haslam; secretary-treasurer, Dickie L. Mills; executive committee, Edward Young, W. L. Cassidy, C. R. Myers, T. W. Norman Clements and N. Wilson.

**Galesburg, Ill.**—At the meeting of the Galesburg association C. H. DeLong, former president of the Illinois Association of Life Underwriters, made an address on "Practical Business as It Affects Life Underwriting Practices."

**South Bend, Ind.**—James Keplar of Elkhart, Ind., was the principal speaker at the last meeting of the South Bend association. Tecumseh Kilgore was chairman of the meeting.

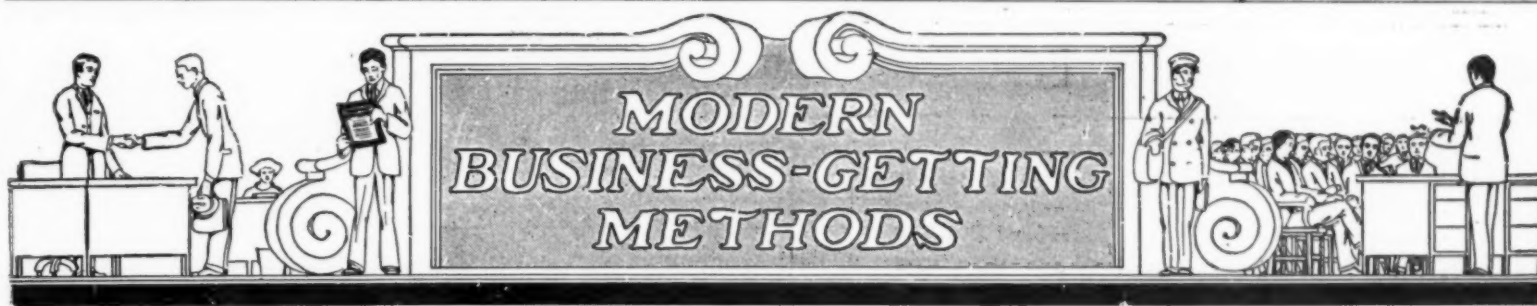
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## Problem Confronts Corporation Where Key Man of Organization Is Frequently Asked to Endorse Its Promissory Notes

By HAROLD P. COOLEY

Director of Sales, Moore & Summers Agency, New England Mutual Life, Boston

The subject of life insurance trusts has captured the imagination of the man in the field and the man in the trust department. It is unfortunate that so many life insurance salesmen believe that all they have to do is to follow a specimen trust drafted by some trust company in arranging the affairs of their clients. There is a lot of insurance being written under trust agreements providing for the liquidation of a deceased's stock in a close corporation and this is of course in general a most commendable program. It is astounding, however, to note that little or no reference has been made to the most important liability that the average business man may incur—his personal endorsement of corporation obligations.

### Corporation Paper and Personal Endorsement

I suppose that three out of five close corporations include in their personnel a key-man, who is the financial factor of the business and to whom the corporation creditors look with confidence. The average close corporation has a very limited line of credit in its own name. Beyond a very moderate amount of accommodation it is forced to hypothecate inventory or bills receivable in order to secure necessary credit to carry on an active business. In very many cases when such a corporation goes to the bank to borrow money on its note the bank will insist not only on some material security but upon the personal endorsement of the key-man. Material security may often be regarded as an adequate

value when the property of an active business, but in event of liquidation it usually proves to be entirely inadequate to furnish the necessary cash to fund the obligation. In view of the limited liability of a corporation stockholder the bank feels in most cases that corporation paper must be strengthened by personal endorsement.

### May Be Involved by Endorsing Paper

I have a case in mind of three men owning all the stock of a certain corporation, one of them being a financial man and the other two in the minority, both as to stockholdings and general importance to the business. It seemed advisable to guarantee that the stock of any one of them being deceased should pass on to the two survivors and the cash value of such stock to the decedent's family. We therefore negotiated insurance contracts to fund a trust agreement which was designed to assure the accomplishment of their purposes. Everything went along smoothly and we were all satisfied that everyone's house was about to be put in order when it occurred to me to ask the key-man of this trio whether or not he was called upon to endorse any of the corporation liabilities. He immediately replied that beyond a certain small minimum, the bank always called for his endorsement on time loans and that he was at that time an endorser on about \$25,000 worth of this paper.

"What a beautiful buggy ride I nearly took your executor for," I exclaimed.

"Here we are, drawing up an agreement and funding it for the purpose of selling your stock at your death and leaving your executor in the buggy. He will have lost all control of the horse because your stock in this company will have been sold and yet will still be facing estate liability in the form of your endorsements of this bank paper. The money which is derived from the sale of your stock will naturally be considered an estate asset, inasmuch as it is the cash equivalent to certain stock which would have otherwise been listed in the inventory and this cash will immediately be available to the bank to secure it in event the corporation does not meet its notes at maturity.

"There is no question in my mind but what the bank is extending its present line of credit to your company very largely because of your personal endorsements and should you be taken out of the picture it will be very apt to refuse to renew a large portion of the outstanding loans and limit the corporation's credit to a much smaller sum than it now enjoys. We can all of us see where your partners may be extremely embarrassed by such action and might conceivably be unable to meet the corporation obligations from current funds.

### Will Have Course of Action Against Corporation

"To further embarrass the surviving partners it must be remembered that if your executor is called upon to fund these liabilities bearing your endorsement he will have a course of action against the corporation even to the point of forcing liquidation. He might in some cases be successful in recovering the amount of money paid on your endorsements but it is the purpose of such agreements as these to forestall and eliminate any possibility of expensive litigation and economic loss through forced liquidation of assets."

It did not take but a few minutes for the three stockholders to see the picture I had painted and they favored me with a request for my advice as to a way out of their predicament. I said:

### Will Take Care of the Additional Indebtedness

"It simply means that we will have to contract with the insurance companies for an additional \$25,000 and we will re-draft the trust instrument directing the trustees in event of the death of your key-man, to collect the proceeds of the policies of insurance on his life and hold in trust and pay therefrom such amount not exceeding \$25,000 as is represented by the total amount of the then outstanding obligations of the corporation upon which the insured is liable as endorser, guarantor or surety, with the exception of such obligations as are secured by mortgage or pledge of real or personal property, provided that the trustee within thirty days from such death receives from the directors of the corporation, written notification signed by the treasurer or proper officer, of the amount or amounts of such obligations and the holders thereof, and the trustee may rely on all facts stated in such writing. Upon the receipt of such notification the trustee shall notify the holder of each obligation set forth therein that it stands ready to pay forthwith or hold in trust until maturity and pay the full amount of such obligations and the trustee shall pay or hold in trust and pay according to the direction of each holder, except that if the total amount of the outstanding obligations of the corporation upon which the insured is liable as aforesaid is more than \$35,000, the trustee shall notify and pay or hold in trust and pay as aforesaid in the proportions directed by the directors in the aforesaid written notification or in default of direction in this respect, pro rata.

"Having liquidated the outstanding liabilities of the corporation upon which the insured is liable as endorser, guarantor or surety as aforesaid, or having set

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aside sufficient funds for that purpose, the trustee may then proceed to liquidate the stock of the deceased in the prescribed manner in the trust agreement. It is obvious that the deceased's stock will reflect the increased value created by the elimination of the corporation liabilities in question."

It is my opinion that the question of personal endorsement of corporation paper should be asked and answered before proceeding with any plans to liquidate a deceased partner's stockholdings because it is quite possible that the

amount of the estate liability created by such endorsements may exceed the total value of the insured's stock and it is in just such cases that the corporation is more likely to find itself unable to take up its notes upon demand or at maturity and the responsibility be therefore passed along to the man's estate with the result that the insurance money which had been purchased for the express purpose of securing a continuity of management through the liquidation of the deceased partner's stockholdings may entirely fail in its purpose.

## FACTS and FIGURES

Compiled by C. D. Spencer

The Atlantic Life found that 58½ percent of lapses were on contracts with less than two annual premiums paid—Ruffner R. Payne, manager, Charleston, W. Va.

\*\*\*

At the end of 1928 there were 369 American and eight Canadian legal reserve companies doing business in the United States. Of these 19 commenced business before the Civil War, 14 between 1815 and 1875, 31 between 1875 and 1900, and 313 since the beginning of the 20th century.

\*\*\*

By the end of 1929 fully 6,500,000 employees, representing 20,000 concerns, will be included under group life insurance plans to the extent of \$10,000,000,000, one-tenth of all the life insurance now in force in the United States.—B. A. Page, vice-president Travelers.

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"I'm a firm believer in life insurance. It is one of the greatest, if not the greatest, means of comfort and security and well being of the family that can be acquired. In my opinion, there is no greater sense of security than being head of a family that is adequately insured. Adequate insurance is one of the greatest needs in our commercial and social life."—Governor Frank G. Allen of Massachusetts.

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"In my experience as a banker hardly a month has passed that I have not had brought to my attention numerous in-

stances where men left estates, the savings of a lifetime, which would have been wiped out had it not been for the reliable insurance which those men were wise enough to hold."—Charles G. Dawes.

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There is nothing that stimulates men like the taste of fresh meat. If an agent is working on a big deal trying to sell a large policy, getting successive setbacks before he closes, he often gets into the dumps. The best way for him to get his enthusiasm back again is to go out and sell some small policies and get some commissions. The blood will sharpen his taste, his enthusiasm will be revived and the large policy will be much easier to sell.

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"Life insurance is a magnificent form of savings. Any impulse towards it should be encouraged and properly managed life insurance is an effective expression of that far-seen type of economy which should be encouraged by the American people. Every man has obligations to others besides himself and must plan his future with a view to those relationships. Life insurance is a simple and efficient form of compulsory saving. I believe in it strongly."—Albert Smith, ex-governor of New York.

### All-States Hopes to Set Record In Its First Year

MONTGOMERY, ALA., Jan. 2.—In the closing days of 1929, officials and agents of the All-States Life of Montgomery have been putting forth every effort to set a record for volume of new business written the first calendar year of a company's existence. The record thus far belongs to the Union Labor Life of Washington, with \$12,141,200 for its first year.

"We are hoping, or at least think we have a chance, to beat the former record," said Ben W. Lacy, president of the All-States. "If we happen not to be first, we expect to be second." The company began business Jan. 1, 1929, and its business has expanded beyond all expectations.

### Agency Conferences Arranged

The Pan-American Life has announced a series of agency conferences in 1930 as follows:

Dallas, April 15-17, for all representatives in Texas.

Birmingham, May 5-7, for all representatives in Alabama, Arkansas, Florida, Georgia, Mississippi and Tennessee.

Chicago, May 12-14, for all representatives in Illinois, Indiana, Kentucky and Missouri.

Washington, D. C., May 19-21, for all representatives in North Carolina, Ohio, Pennsylvania, Virginia and West Virginia.

### Fidelity Union Convention

A general convention of the agency forces of the Fidelity Union Life of Dallas will be held Jan. 16-18 at Mineral Wells, Tex.

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